

In the opinion of Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “CONCLUDING INFORMATION – Tax Matters.”

\$2,670,000
CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS

Dated: Date of Delivery**Due: September 2, as shown below**

The City of Newport Beach Assessment District No. 100 (13th St/Balboa Blvd/Adams St/Ocean Front) Limited Obligation Improvement Bonds (the “Bonds”) are limited obligations of the City of Newport Beach, California (the “City”), secured by special assessments on real property located within the City’s Assessment District No. 100 (the “District”).

The installation and construction of the District’s improvements and the levy of special assessments will be undertaken as provided by the Municipal Improvement Act of 1913. The Bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 and a Bond Indenture, dated as of August 1, 2010 (the “Indenture”), by and between the City and U.S. Bank National Association, as Paying Agent (the “Paying Agent”).

The Bonds are being issued in book-entry form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of Bonds will not receive certificates representing their beneficial ownership thereof but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of The Depository Trust Company or as otherwise described herein. Individual purchases may be made in principal amounts of \$5,000 and integral multiples thereof, except for one Bond (which shall be the Bond maturing in the first year of maturity) which shall include the amount by which the total aggregate principal amount of the Bonds exceeds the maximum integral multiple of \$5,000.

Interest on the Bonds will be payable on March 2, 2011, and semiannually thereafter on each March 2 and September 2. Principal of and interest on the Bonds will be paid by the Paying Agent to Cede & Co., and such payments are expected to be disbursed to the beneficial owners of the Bonds through their nominees.

The Bonds are subject to redemption prior to maturity as described under “THE BONDS – Redemption” herein.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual debt service on the Bonds will be billed by the County of Orange (the “County”) to owners of property within the District against which there are unpaid assessments. Upon receipt by the Paying Agent from the City, these annual installments are to be paid into the Redemption Fund to be held by the Paying Agent and used to pay debt service on the Bonds as it becomes due.

Unpaid assessments constitute fixed liens on the lots and parcels assessed within the District and do not constitute a personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of delinquency, proceedings may be had only against the real property securing the delinquent assessment. Thus, the value of land within the District is a critical factor in determining the investment quality of the Bonds.

The City will establish a Reserve Fund and deposit therein Bond proceeds in the amount of the Reserve Requirement to provide funds for payment of principal and interest on the Bonds in the event of any delinquent assessment installments. The City’s obligation to advance funds to the Redemption Fund as a result of delinquent installments is limited to the balance in the Reserve Fund. The City has covenanted to initiate judicial foreclosure in the event of a delinquency as described herein. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure.”

MATURITY SCHEDULE
on inside cover

Neither the faith and credit nor the taxing power of the City, the County, the State of California or any political subdivision thereof is pledged to the payment of the Bonds, and the payment thereof is not secured by any encumbrance, mortgage or other pledge of property of the City except the pledge of the assessments and moneys on deposit in the Redemption Fund and the Reserve Fund. The City has determined not to obligate itself to advance available funds from its treasury in the event of delinquencies in the payment of assessments.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including, without limitation, “BOND OWNERS’ RISKS,” to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued subject to the approval of Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation, Oakland, California, Bond Counsel. Certain matters will be passed upon for the City by the City Attorney and by McFarlin & Anderson LLP, Lake Forest, California, as Disclosure Counsel. It is anticipated that the Bonds will be available for delivery to The Depository Trust Company or its agent on or about August 17, 2010.

Dated: August 3, 2010

SOUTHWEST SECURITIES, INC.

MATURITY SCHEDULE

\$2,670,000

**CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS**

Base CUSIP® No. 651784[†]

<u>Maturity</u> <u>September 2</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP®</u> <u>No.[†]</u>	<u>Maturity</u> <u>September 2</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP®</u> <u>No.[†]</u>
2011	\$135,000	3.000%	0.950%	102.119%	QA1	2019	\$180,000	3.500%	3.700%	98.473%	QJ2
2012	145,000	3.000	1.350	103.311	QB9	2020	185,000	3.900	4.000	99.178	QK9
2013*	150,000	3.000	1.750	103.642	QC7	2021	195,000	4.000	4.150	96.680	QL7
2014*	155,000	3.000	2.100	103.447	QD5	2022	200,000	4.200	4.300	99.065	QM5
2015	160,000	3.000	2.500	102.353	QE3	2023	210,000	4.300	4.450	98.526	QN3
2016	165,000	3.000	2.950	100.274	QF0	2024	220,000	4.400	4.600	97.946	QP8
2017	170,000	3.000	3.250	98.436	QG8	2025	225,000	4.600	4.700	98.928	QQ6
2018	175,000	3.375	3.500	99.129	QH6						

* Yield to call on March 2, 2011.

[†] CUSIP® A registered trademark of the American Bankers Association. Copyright © 1999-2010 Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. CUSIP® data herein is provided by Standard & Poor's CUSIP® Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP® Service Bureau. CUSIP® numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the Bonds. The City is not responsible for the selection or uses of these CUSIP® numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding, in whole or in part, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CITY OF NEWPORT BEACH

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Michael F. Henn, Mayor Pro Tem, District 1
Steven Rosansky, District 2
Don Webb, District 3
Leslie Daigle, District 4
Edward D. Selich, District 5
Nancy Gardner, District 6

CITY STAFF

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UNDERWRITER

Southwest Securities, Inc.
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DISSEMINATION AGENT

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Orlando, Florida

GENERAL INFORMATION ABOUT THE OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City or any other entity described or referenced herein since the date hereof. The City does not plan to issue any updates or revision to the forward-looking statements set forth in this Official Statement.

Limited Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other entity described or referenced herein since the date hereof. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

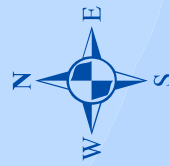
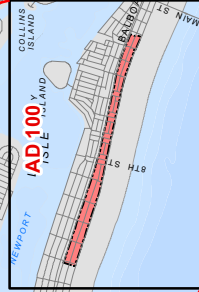
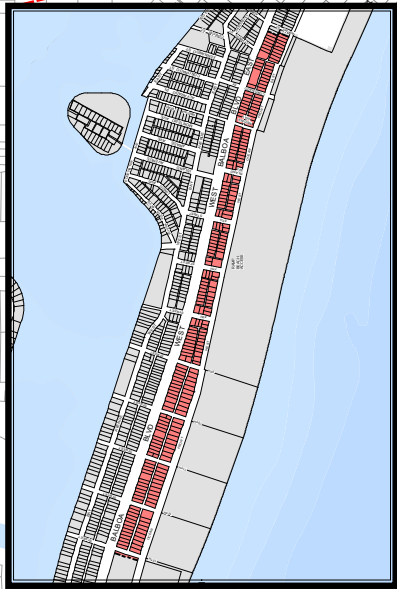
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Assessment District 100



1 inch = 4000 feet

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SUMMARY STATEMENT

Purpose

Proceeds of the \$2,670,000 principal amount of the City of Newport Beach Assessment District No. 100 (13th St/Balboa Blvd/Adams St/Ocean Front) Limited Obligation Improvement Bonds (the “Bonds”), together with certain investment earnings and certain other moneys, will be used to finance the costs of relocation of certain overhead electrical and communication facilities to underground locations, together with appurtenances and appurtenant work in connection therewith (the “Improvement Project”). See “THE DISTRICT – The Improvement Project” herein. Bond proceeds will also be used to establish a debt service reserve fund and to pay the costs of issuance of the Bonds.

The District

The City of Newport Beach Assessment District No. 100 (“the District”) consists of approximately 19.8 acres located in Newport Beach, California (the “City”). The District is bordered by 13th Street, Balboa Boulevard, Adams Street and Ocean Front. The District was formed by the City on June 8, 2010. The amount of assessments levied in the District was \$4,345,000, and prepayments have been made with respect to \$1,674,993.62 of assessments. There are currently 171 parcels in the District with unpaid assessments in the amount of \$2,670,006.38.

Security for the Bonds

The Bonds are issued upon and secured by a pledge of revenues received by the City in each fiscal year from the collection of annual installments of unpaid assessments, including penalties and interest and proceeds from the sale of property for delinquent assessments, on parcels within the District but excluding amounts collected by the City for the payment of administration costs (“Assessment Revenues”). See “SECURITY FOR THE BONDS – Reserve Fund – *No Additional Bonds Except for Refunding Bonds*” herein. The unpaid assessments represent fixed liens on the assessed parcels. They do not, however, constitute a personal indebtedness of the owners of such parcels.

Pursuant to the Improvement Bond Act of 1915, installments of principal of assessments and interest thereon sufficient to meet annual debt service on the Bonds will be billed by the County of Orange (the “County”) to owners of parcels within the District against which there are unpaid assessments (the “Assessment Installments”). Upon receipt by the Paying Agent from the City, these Assessment Installments are to be deposited into the Redemption Fund, which will be held by the Paying Agent and used to pay Bond principal and interest as they become due. The Assessment Installments billed against each parcel each fiscal year represent pro rata shares of the total principal and interest coming due in the ensuing calendar year, based on the percentage which the unpaid assessment against that parcel bears to the total of unpaid assessments levied to repay the Bonds.

The City will deposit \$160,200 from Bond proceeds into a Reserve Fund (the “Reserve Fund”). The Reserve Fund will be a source of available funds to advance to the Redemption Fund in the event of delinquent installments. **The City’s obligation to advance funds to the Redemption Fund in the event of delinquent installments is limited to the balance in the Reserve Fund. Pursuant to the Indenture, the City has no obligation to replenish the**

Reserve Fund except to the extent that delinquent assessments are paid or proceeds from foreclosure sales are realized. See “SECURITY FOR THE BONDS – Reserve Fund.”

The City covenants with and for the benefit of the owners of the Bonds that it will commence judicial foreclosure proceedings against properties with delinquent Assessment Installments under certain circumstances. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure.”

Redemption

Any Bond or any portion of a Bond may be redeemed, in whole or in part, in increments of \$5,000, in advance of maturity on any Interest Payment Date, commencing March 2, 2011, from any source of funds legally available, including, without limitation, the prepayment of assessments and surplus funds from the Improvement Fund, if any, together with accrued interest to the date of redemption at the redemption prices shown on the table under “THE BONDS – Redemption – *Optional Redemption*” herein.

Bond Owners’ Risks

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance that such owners will be able to pay the Assessment Installments or that they will pay such installments even though financially able to do so.

Because the City has not obligated itself to advance funds to pay debt service on the Bonds in the event of delinquent Assessment Installments, failure by owners of the parcels to pay Assessment Installments when due, depletion of the Reserve Fund or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Assessment Installments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds; and owners of the Bonds would therefore be adversely affected. See “BOND OWNERS’ RISKS.”

\$2,670,000
CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices hereto, is to provide certain information concerning the City of Newport Beach Assessment District No. 100 (13th St/Balboa Blvd/Adams St/Ocean Front) Limited Obligation Improvement Bonds (the “Bonds”). Assessment District No. 100 (the “District”) was formed by the City of Newport Beach (the “City”) on June 8, 2010, to underground power and communication facilities, together with appurtenances and appurtenant work in the District.

The Bonds are being issued pursuant to the Improvement Bond Act of 1915 (the “1915 Act”) and a Bond Indenture, dated as of August 1, 2010 (the “Indenture”), by and between the City and U.S. Bank National Association, as paying agent (the “Paying Agent”).

Unpaid assessments represent liens on the parcels in the District on which they have been confirmed; they do not, however, constitute a personal indebtedness of the owners of the parcels. Installments of principal of assessments and interest thereon sufficient to meet annual debt service on the Bonds will be billed by the County of Orange (the “County”) to owners of parcels within the District against which there are unpaid assessments (the “Assessment Installments”). Unpaid assessments and all moneys and securities from time to time held by the City or by the Paying Agent in certain specified funds and accounts under the Indenture are pledged to the payment of the principal of and interest on the Bonds.

The Bonds do not constitute a debt of the City, and the City will not be liable thereon except for amounts pledged under the Indenture. The full faith and credit of the City is not pledged to the payment of the Bonds; and the payment of the Bonds is not secured by any encumbrance, mortgage or other pledge of property of the City except the pledge described under the heading “SECURITY FOR THE BONDS.”

Brief descriptions of the Bonds, the District, the Indenture, the Disclosure Dissemination Agent Agreement, dated as of August 1, 2010, by and between the City and Digital Assurance Certification, L.L.C. (“DAC”) (the “Disclosure Agreement”) and certain other matters are set forth below. Such descriptions do not purport to be comprehensive or definitive. All references herein to any of the aforesaid documents are qualified in their entirety by reference to the forms thereof, which are available for inspection at the office of the Paying Agent in Los Angeles, California, and at the office of the City Clerk in Newport Beach, California. Capitalized terms not defined herein have the respective meanings ascribed to them in the Indenture.

THE FINANCING PLAN

Purpose of the Bonds

Proceeds from the sale of the Bonds will be used to finance the cost of undergrounding power and communication facilities, together with appurtenances and appurtenant work (the “Improvement Project”) that serve the property within the District, as further described in the section herein entitled “THE DISTRICT – The Improvement Project.” The estimated costs of the Improvement Project are \$3,666,290 (excluding financing and incidental costs). The total amount of assessments levied in the District was

\$4,345,000, and prepayments have been made with respect to \$1,674,993.62 of assessments. There are currently 171 parcels in the District with unpaid assessments in the amount of \$2,670,006.38. See Table 2 under the caption “THE DISTRICT – The Improvement Project” for a more detailed statement of all costs and expenses relating to the Improvement Project.

Sources and Uses of Funds

The Paying Agent will receive the proceeds from the sale of the Bonds upon delivery of such Bonds to the purchasers thereof. The proceeds of the Bonds will be applied as set forth in the following table:

SOURCES AND USES OF FUNDS

SOURCES:

Par Amount of Bonds	\$2,670,000.00
Less Net Original Issue Discount	(238.20)
Less Underwriter’s Discount	<u>(18,529.80)</u>
Total Sources	\$2,651,232.00

USES:

Improvement Fund	\$2,108,437.36
Reserve Fund	160,200.00
Costs of Issuance ⁽¹⁾	<u>382,594.64</u>
Total Uses	\$2,651,232.00

⁽¹⁾ Costs of issuance include expenses incidental to forming the District and issuing the Bonds, legal fees, printing costs, Paying Agent fees and other miscellaneous issuance costs.

See Table 2 under the caption “THE DISTRICT – The Improvement Project” for more detailed information regarding costs and expenses relating to the Improvement Project.

THE BONDS

Authority for Issuance

The proceedings for the District were conducted pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the “1913 Act”). The Bonds, which represent the unpaid assessments levied against the property in the District, are issued pursuant to the provisions of the 1915 Act and the Indenture. Pursuant to the 1913 Act and Proposition 218, which added Article XIID to the California Constitution, the City held a public hearing on May 19, 2010, in the proposed District. The City received a favorable response from the landowners casting assessment ballots prior to the conclusion of the public hearing.

Description of the Bonds

The \$2,670,000 principal amount of Bonds are dated as of the date of delivery and will mature in the amounts and on the dates set forth on the inside cover hereof. Interest will be paid at the rates set forth on the inside cover, commencing on March 2, 2011, and semiannually thereafter on March 2 and September 2 of each year (each an “Interest Payment Date”) until maturity. The Bonds are issued only as fully-registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, except for one Bond (which shall be the Bond maturing in the first year of maturity) which shall include the amount by which the total aggregate principal amount of the Bonds exceeds the maximum integral multiple of \$5,000.

The Bonds will be executed and delivered as fully-registered Bonds in the name of Cede & Co., nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of all Bonds. The principal of and interest with respect to the Bonds will be paid directly to Cede & Co. by the Paying Agent, as long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds. For information relating to DTC and the DTC book-entry system as it relates to the Bonds, see APPENDIX E – “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY.” The information presented therein is based solely on information provided by DTC and no representation is made by the City concerning the accuracy thereof.

Principal and redemption premium, if any, will be payable at the Principal Office of the Paying Agent on presentation of the Bonds. Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless otherwise specified in the Indenture.

Redemption

Optional Redemption. Any Bond or any portion of a Bond may be redeemed, in whole or in part, in increments of \$5,000, in advance of maturity on any Interest Payment Date, commencing September 2, 2010, from any source of funds legally available, including, without limitation, the prepayment of assessments and surplus funds from the Improvement Fund, if any, at the redemption prices (expressed as a percentage of the principal amount to be redeemed) set forth below, together with accrued interest to the date of redemption:

Redemption Date	Redemption Price
March 2, 2011 through September 2, 2015	103%
March 2, 2016 and September 2, 2016	102%
March 2, 2017 and September 2, 2017	101%
March 2, 2018 and thereafter	100%

Purchase of Bonds. In lieu of payment at maturity or redemption, moneys in the Redemption Fund (other than moneys representing prepaid assessments) may be used and withdrawn by the Paying Agent for purchase of Outstanding Bonds which mature on the next principal payment date, upon the filing with the Paying Agent, prior to the selection of Bonds for redemption, of a written request from the City requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such request may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, the premium, if any, plus interest accrued to the date of maturity or redemption that would otherwise be payable.

Selection of Bonds for Redemption. If less than all of the outstanding Bonds or portions thereof are to be redeemed, the Paying Agent shall select the Bonds to be redeemed in authorized denominations in such a way that the ratio of outstanding Bonds to issued Bonds shall be approximately the same for each annual maturity insofar as possible.

Notice of Redemption. When the Paying Agent receives notice from the City of its election to redeem Bonds at least sixty (60) days prior to the applicable redemption date, or when Bonds are otherwise to be redeemed pursuant to the Indenture, the Paying Agent shall give notice, in the name and at the expense of the City, of the redemption of such Bonds. Such notice of redemption shall (a) specify the numbers of the Bonds selected for redemption, except that where all the Bonds are subject to redemption or all the Bonds of a maturity date are subject to redemption, the numbers thereof need not be specified; (b) state the date fixed for redemption; (c) state the redemption price; (d) state the place or places where the Bonds are to be redeemed; (e) in the case of Bonds to be redeemed only in part, state the portion of the Bond which is to be redeemed; and (f) state the CUSIP® numbers of the Bonds to be redeemed. Such notice shall

further state that on the date fixed for redemption there shall become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Paying Agent shall mail by registered or certified mail, postage prepaid, or deliver by personal service, a copy of such notice, to the respective owners of the Bonds to be redeemed at their addresses appearing on the bond register. The actual receipt by the owner of any Bond of notice of such redemption shall not be a condition precedent thereto, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the redemption date. A certificate by the Paying Agent that notice of such redemption has been given as provided in the Indenture shall be conclusive as against all parties, and it shall not be open to any Bond Owner ("Bond Owner") to show that he or she failed to receive notice of such redemption.

Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the City shall execute and the Paying Agent shall authenticate and deliver to the Bond Owner, at the expense of the City, a new Bond or Bonds of authorized denominations equal in aggregate amount to the unredeemed portion of the Bond surrendered, with the same interest rate and the same maturity.

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

- (1) The Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding;
- (2) Upon presentation and surrender thereof at the Principal Office of the Paying Agent, such Bonds shall be redeemed at the specified redemption price;
- (3) From and after the redemption date, the Bonds or portions thereof so designated for redemption shall be deemed to be no longer outstanding and such Bonds or portions thereof shall cease to bear further interest; and
- (4) From and after the date fixed for redemption, no owner of any of the Bonds or portion thereof so designated for redemption shall be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Improvement Fund

Moneys in the Improvement Fund (as defined in the Indenture) will be used only for the Improvement Project, as authorized in the assessment proceedings and all incidental costs related thereto, including the costs of issuing the Bonds, all as more particularly described in the Assessment Engineer's Report for the District on file in the Office of the City Clerk of the City, as the report may be amended from time to time pursuant to the 1913 Act. Upon completion of the acquisition and construction of the Improvements, the Superintendent of Streets of the City will file a certificate of completion (the "Certificate of Completion") with the Administrative Services Director. Any funds remaining in the Improvement Fund following receipt by the Administrative Services Director of the Certificate of Completion shall constitute surplus ("Surplus"), and in accordance with the provisions of the Resolution of Intention (as defined in the Indenture), the Surplus shall be utilized or distributed in such manner as shall be determined by the Newport Beach City Council (the "City Council") for any one or more purposes set forth in said Resolution of Intention.

Redemption Fund

The Paying Agent will establish and maintain a Redemption Fund (as defined in the Indenture) designated by the name of the District and deposit therein from time to time (i) the amount of the proceeds of the Bonds which represents accrued and capitalized interest, if any, on the Bonds, (ii) all sums received from the City representing the collection of the assessments (other than assessments for administrative costs) and the interest thereon and (iii) any surplus in the Improvement Fund to the extent provided in the Indenture.

Prepayment Account. There will be established by the Paying Agent a prepayment subaccount within the Redemption Fund (the “Prepayment Account”). The Paying Agent will not be required to establish the Prepayment Account until the time when deposits are required to be made therein. The City will transfer to the Paying Agent for deposit in the Prepayment Account all moneys received by the City representing the prepayment of the principal of, and interest and redemption premium on, any Bonds. Such moneys will be applied solely to the payment of the principal of, and interest and premium on, Bonds to be redeemed prior to maturity pursuant to the optional redemption provisions of the Indenture.

Except for money received with respect to assessment surcharges for administrative costs, the City will transfer or cause to be transferred to the Paying Agent at least five days prior to each Interest Payment Date all sums received and not previously transferred from the collection of the assessments and any interest thereon and all sums received for the partial or full prepayment of assessments as required by Streets and Highways Code Section 8767. Any transfer representing the prepayment of assessments will be accompanied by written instructions as to the disposition of such sums to redeem Bonds prior to maturity or to pay accrued interest on any Bonds to be redeemed.

Principal of and interest on the Bonds will be paid by the Paying Agent to the registered owners out of the Redemption Fund to the extent funds on deposit in the Redemption Fund are available therefor.

Reserve Fund

The City will create and maintain the Reserve Fund to be designated by the name of the District. The Reserve Fund will be initially funded from a portion of the Bond proceeds in an amount equal to 6% of the original principal amount of the Bonds. The City will also deposit in the Reserve Fund funds which represent the proceeds of (i) payments made to redeem delinquent Assessment Installments or (ii) the judicial foreclosure sale of parcels pursuant the Indenture, in each case if and to the extent that any advance was made from the Reserve Fund to the Redemption Fund as a result of such delinquencies.

Moneys in the Reserve Fund will be applied as follows:

(1) Amounts in the Reserve Fund will be transferred to the Paying Agent for deposit in the Redemption Fund if there are insufficient moneys in said Redemption Fund to pay principal of and interest on the Bonds when due. Amounts so transferred will be repaid to the Reserve Fund from proceeds from the redemption or foreclosure of property with respect to which an assessment is unpaid and from payments of delinquent assessments.

(2) Interest earned on the permitted investment of moneys on deposit in the Reserve Fund will remain in the Reserve Fund to the extent required to maintain the Reserve Fund at the Reserve Requirement (as defined herein). Not later than August 30 of each fiscal year, the amount on deposit in the Reserve Fund in excess of the Reserve Requirement will be transferred from the Reserve Fund to the Redemption Fund and credited to the unpaid Assessment Installments payable during such fiscal year. “Reserve Requirement” shall mean the least of (i) the maximum annual debt service on the outstanding Bonds, (ii) 125% of the average annual debt service on the outstanding Bonds or (iii) 6% of the original principal amount of Bonds (the “Reserve Requirement”). The City’s records utilized to calculate the annual assessment installments on

account of unpaid assessments shall reflect the credits against each of the unpaid assessment in amounts equal to each parcel's proportionate share of such transfer.

Notwithstanding the above, interest earnings on moneys on deposit in the Reserve Fund in excess of the "yield" on the Bonds, as that term is defined in the Internal Revenue Code of 1986 (the "Code"), will be subject to transfer and rebate to the United States Treasury.

(3) Whenever moneys in the Reserve Fund, together with available funds in the Redemption Fund, are sufficient to fully and timely pay and redeem all outstanding Bonds, plus accrued interest thereon, the money will be transferred to the Redemption Fund and collection of a corresponding amount of the remaining unpaid assessments will cease.

(4) In the event an assessment is to be prepaid in cash, the City will credit the prepaid assessment with a proportionate share of the Reserve Fund and transfer an amount equal to such credit to the Redemption Fund to be utilized for the advance retirement of Bonds.

Rebate Fund

The City will establish and maintain a Rebate Fund (as defined in the Indenture). Deposits shall be made to the Rebate Fund only as may be required by and in accordance with the provisions of the Tax Certificate (as defined in the Indenture) pertaining to the Bonds. Amounts, if any, on deposit in the Rebate Fund will be paid to the United States of America. All earnings on amounts on deposit in the Rebate Fund will remain therein until all amounts payable to the United States of America have been paid.

Investments

Obligations purchased as investments of moneys in any of the funds in which investments are authorized will be deemed at all times to be part of such funds. Subject to the restrictions set forth in the Indenture, moneys in the Redemption Fund may from time to time be invested by the Paying Agent at the written direction of the Administrative Services Director of the City, which written direction will contain a certification to the Paying Agent that such investments are Authorized Investments as defined in the Indenture. In the absence of written direction from the City, the Paying Agent will invest the moneys deposited in the Redemption Fund and any account of such funds in money market funds as described in the Indenture. Such moneys will be invested only in obligations which will by their terms mature on such dates so as to ensure the payment of principal of and interest on the Bonds as the same become due; *provided*, investments of money in the Reserve Fund will mature not later than five years from the date of purchase except such money may be invested in a repurchase agreement or an investment agreement without such five-year limitation so long as the repurchase agreement or investment agreement provides for withdrawals at par on or before any Interest Payment Date.

The City, and if applicable, the Paying Agent, will sell at the best price reasonably obtainable or present for redemption any obligations so purchased whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer for such funds or from such funds. For the purpose of determining at any given time the balance in any such funds, any such investments constituting a part of such funds will be valued at their market value. Notwithstanding anything to the contrary, the Paying Agent will not be responsible for any loss from any investments pursuant to the Indenture, except for its own negligence or willful misconduct. The Paying Agent may act as principal or agent in the acquisition or disposition of investments. The Paying Agent and the City may commingle the funds established under the Indenture for investment purposes but will nonetheless account for each fund separately.

Annual Debt Service

Table 1 below sets forth the annual debt service on the Bonds based on the maturity schedule and interest rates set forth on the inside cover page of this Official Statement.

TABLE 1

**CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS**

ANNUAL DEBT SERVICE

Year Ending September 2	Principal	Interest	Total
2011	\$135,000	\$101,126.31	\$236,126.31
2012	145,000	93,031.26	238,031.26
2013	150,000	88,681.26	238,681.26
2014	155,000	84,181.26	239,181.26
2015	160,000	79,531.26	239,531.26
2016	165,000	74,731.26	239,731.26
2017	170,000	69,781.26	239,781.26
2018	175,000	64,681.26	239,681.26
2019	180,000	58,775.00	238,775.00
2020	185,000	52,475.00	237,475.00
2021	195,000	45,260.00	240,260.00
2022	200,000	37,460.00	237,460.00
2023	210,000	29,060.00	239,060.00
2024	220,000	20,030.00	240,030.00
2025	225,000	10,350.00	235,350.00
Totals	\$2,670,000	\$909,155.13	\$3,579,155.13

SECURITY FOR THE BONDS

General

The Bonds are issued upon and secured by a pledge of Assessment Revenues. The Bonds are secured by the moneys in the Redemption Fund and the Reserve Fund and any earnings thereon (except to the extent earnings must be transferred to the Rebate Fund under the Indenture) and by the unpaid assessments. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund.

The payment of the amount of each Assessment Installment, interest and any penalties and collection costs is secured by an assessment lien upon the applicable property in the District. Such lien is co-equal with the latest lien thereon to secure the payment of general *ad valorem* property taxes, is not subject to extinguishment by the sale of any property on account of the non-payment of general property taxes, and is prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments, special taxes and general property taxes. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. The Assessment Installments are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds, and, as received by or

otherwise credited to the City, will immediately be subject to the lien of such pledge. Although the unpaid assessments constitute liens upon the parcels assessed, they do not constitute a personal indebtedness of the owners of said parcels. There can be no assurance as to the financial or legal ability, or the willingness, of such property owners to pay the unpaid assessments.

The failure of a property owner to pay an Assessment Installment will not result in an increase in Assessment Installments applicable to other parcels within the District.

The unpaid assessments will be collected in semi-annual installments, together with interest on the declining balances, on the County tax roll on which general taxes on real property are collected, and the unpaid assessments are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes, and the assessment parcels are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes. See also the section herein below entitled "Covenant for Superior Court Foreclosure."

Reserve Fund

The Reserve Fund will be a source of available funds to advance to the Redemption Fund in the event of delinquent Assessment Installments. See "THE BONDS – Reserve Fund" herein. **The City's obligation to advance funds to the Redemption Fund in the event of delinquent Assessment Installments is limited to the balance in the Reserve Fund. Pursuant to the Indenture, the City has no obligation to replenish the Reserve Fund except to the extent that delinquent Assessment Installments are paid or proceeds from foreclosure sales are realized.** However, the determination by the City not to obligate itself to advance available funds to cure delinquencies will not prevent the City from, in its sole discretion, advancing such funds.

No Additional Bonds Except for Refunding Bonds. Except for refunding bonds, no additional bonds or other obligations will be issued or incurred that will be secured by or payable from the assessments of the District.

Covenant for Superior Court Foreclosure

The City has covenanted in certain circumstances to institute judicial foreclosure in the event of a delinquency and thereafter to prosecute diligently to completion court foreclosure proceedings upon the lien of any and all delinquent assessments and interest.

Pursuant to Part 14 of Division 10 of the California Streets and Highways Code, as amended, in the event any Assessment Installment is not paid when due, the City may order the institution of a court action to foreclose the lien of the delinquent unpaid Assessment Installments. In such an action, the property subject to the unpaid Assessment Installments may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. The City will review the public records of the County of Orange, California, in connection with the collection of the Assessment Installments not later than August 1 of each year to determine the amount of Assessment Installments collected in the prior Fiscal Year. If the City determines that any parcel or parcels are delinquent in the payment of Assessment Installments, then the City will cause judicial foreclosure proceedings to be filed in the superior court not later than December 1 of each year and will prosecute diligently such foreclosure proceedings to judgment and judicial foreclosure sale; *provided, however*, the commencement of any foreclosure action may be deferred in the sole discretion of the City if, and only so long as, the amount in the Reserve Fund is not less than seventy percent (70%) of the Reserve Requirement.

Judicial Foreclosure Proceedings. The 1915 Act provides that the court in a foreclosure proceeding has the power to order property securing delinquent Assessment Installments to be sold for an

amount not less than all Assessment Installments, interest, penalties, costs, fees and other charges that are delinquent at the time the foreclosure action is ordered and certain other fees and amounts as provided therein (the "Minimum Price"). The court may also include subsequent delinquent Assessment Installments and all other delinquent amounts.

The City may, at its discretion but is not required to, become the purchaser of any property sold in a foreclosure proceeding. If the City becomes the purchaser, it shall pay into the Redemption Fund an amount necessary to satisfy the judgment, less any advances by the City to cover delinquent Assessment Installments, plus simple interest on such net amount at the interest rates borne by the Bonds, from the dates of delinquency. Unless such property is subsequently resold, the City must transfer to the Redemption Fund any future Assessment Installments pending redemption. The City may thereupon be reimbursed for any amount advanced from the City to the Redemption Fund to cover such future Assessment Installments with respect to the property so sold from the proceeds of such sale.

If the property is sold to a purchaser other than the City, the City shall deposit the proceeds from the sale of the property into the Redemption Fund. From such amount, the City shall reimburse the Reserve Fund the amount, if any, of funds advanced from the Reserve Fund to the Redemption Fund to cover the delinquent Assessment Installments with respect to the property which is sold. After reimbursement of the Reserve Fund, the City may be reimbursed for any other amounts advanced from it to the Redemption Fund to cover delinquent Assessment Installments and interest with respect to the property sold in such proceedings. Any funds in excess of the amount necessary to reimburse the City may be applied by the City to pay interest and penalties, costs, fees and other charges, to the extent they were included in the sales proceeds.

If the property to be sold fails to sell for the Minimum Price, the City may petition the court to modify the judgment so that the property may be sold at a lesser price or without a Minimum Price. Notice of the hearing on such petition must be given to all Bond Owners. In certain circumstances, the court may modify the judgment after the hearing to permit the sale of the property at a price lower than the Minimum Price if the court makes certain determinations, including determinations that the sale at less than the Minimum Price will not result in an ultimate loss to Bond Owners or that Bond Owners of at least 75% of the principal amount of Bonds outstanding have consented to the petition and certain other circumstances described in the statute exist. Neither the property owner nor any holder of a security interest in the property nor any defendant in the foreclosure action may purchase the property at the foreclosure sale for less than the Minimum Price.

A period of 140 days must elapse after the date notice of levy of the interest in real property is served on the judgment debtor before the sale of such lot or parcel, with not more than 4 dwelling units, can be made. However, pursuant to Streets and Highways Code Section 8832, the 140-day period may be shortened to 20 days for undeveloped property. If the judgment debtor fails to redeem, and if the purchaser at the sale is the judgment creditor (e.g., the City), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. The constitutionality of the repeal of the one year redemption period has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

In the event such superior court foreclosure or foreclosures are necessary, there may be a delay in payments to Bond Owners pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase of the applicable property would be received at the foreclosure sale. See the section herein entitled "BOND OWNERS' RISKS."

Covenant to Maintain Tax-Exempt Status

The City covenants that it will not make any use of the proceeds of the Bonds issued under the Indenture which would cause the Bonds to become “arbitrage bonds” subject to federal income taxation pursuant to the provisions of Section 148(k) of the Code, or to become “federally-guaranteed obligations” pursuant to the provisions of Section 149(b) of the Code, or to become “private activity bonds” pursuant to the provisions of Section 141(a) of the Code. To that end, the City will comply with all applicable requirements of the Code and all regulations of the United States Department of Treasury issued thereunder to the extent such requirements are, at the time, applicable and in effect. Additionally, the City agrees to implement and follow each and every recommendation provided by bond counsel and deemed to be necessary to be undertaken by the City to ensure compliance with all applicable provisions of the Code in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Assessments Create a Lien

The Assessment Installments and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same is paid. Each lien is subordinate to all fixed special assessment liens previously imposed upon the same property but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Each lien is also co-equal to and independent of the lien for general and special taxes.

Limited City Obligation Upon Delinquency

The City’s obligation to advance moneys to pay debt service on the Bonds in the event of delinquent Assessment Installments is limited to the balance in the Reserve Fund.

Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

THE DISTRICT

Description

The District consists of approximately 19.8 acres located in the City. The District is bordered by 13th Street, Balboa Boulevard, Adams Street and Ocean Front. The District was formed by the City on June 8, 2010. The amount of assessments levied in the District was \$4,345,000, and prepayments have been made with respect to \$1,674,993.62 of assessments. There are currently 171 parcels in the District with unpaid assessments in the amount of \$2,670,006.38.

The Improvement Project

The following is a summary of the District Improvement Project Cost Estimate as contained in the Final Engineer’s Report prepared by Harris & Associates, Irvine, California, Assessment Engineers, attached hereto as Appendix G.

TABLE 2

CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS

ENGINEER'S ESTIMATE OF COSTS AND EXPENSES

DESIGN & CONSTRUCTION COSTS*	
Electrical Costs (Southern California Edison)	
Electrical Construction Costs	\$2,032,695
Construction Contingency (~10%)	203,270
Edison Design Engineering	<u>77,350</u>
	\$2,313,315
Telephone Costs (AT&T)	
Telephone Construction Costs	\$592,256
Construction Contingency (~10%)	59,226
AT&T Design Engineering	<u>50,425</u>
	\$701,907
Street / Alley Rehabilitation	\$1,000,000
Construction Contingency (~7.5%)	<u>75,000</u>
	\$1,075,000
Estimated Utility Contribution for Equivalent Overhead System	<u>-\$423,932</u>
Total Design & Construction Costs:	\$3,666,290
INCIDENTAL EXPENSES⁽¹⁾	
Total Incidental Expenses:	\$374,710
Total Construction and Incidental Expenses:	\$4,041,000
FINANCING COSTS⁽²⁾	
Total Financing Costs⁽³⁾:	\$304,000
TOTAL AMOUNT TO ASSESSMENT:	\$4,345,000

* Time Warner Cable is required to pay for undergrounding through the Franchise Agreement with the City.

⁽¹⁾ Includes costs for inspection, engineering, administration, printing, consultants and legal fees.

⁽²⁾ Includes Reserve Requirement and Underwriter's discount. The actual Reserve Requirement represents 6% of the principal amount of the Bonds.

⁽³⁾ Amount shown does not include savings due to payments received during the cash collection period. Total Financing Costs amounted to approximately \$186,900 due to these savings.

Source: Harris & Associates.

Assessments

The City Council has taken proceedings under the 1913 Act for the formation of the District and has confirmed an assessment, which assessment and a related diagram were recorded in the office of the City Engineer, acting as the Superintendent of Streets, and with the County Recorder of the County of Orange. A notice of assessment, as prescribed in Section 3114 of the Streets and Highways Code, has been recorded with the County Recorder of the County of Orange, whereupon the assessment attached as a lien upon the property assessed within the District as provided in Section 3115 of the Streets and Highways Code. On June 8, 2010, the City Council conducted a duly noticed public hearing and ballot procedure regarding the formation of the District and the issuance of the Bonds. At the ballot procedure, the property owners approved the levy of the assessments. At the end of the 30-day cash collection period, a list of unpaid assessments was filed with the Administrative Services Director pursuant to Section 8620 of the 1915 Act. During the 30-day cash collection period, prepayments have been made with respect to \$1,674,993.62 of assessments, and the Administrative Services Director has listed all unpaid assessments in the aggregate amount of \$2,670,006.38. The amounts to be assessed against the parcels of property to pay the costs and expenses of the acquisition and construction of the improvements have been based on the estimated benefits to be derived by the various properties within the District.

Teeter Plan

A Teeter Plan is an alternative method for the distribution of secured property taxes to local agencies. Teeter Plan provisions are set forth in Sections 4701 to 4717 of the California Revenue and Taxation Code. If a Teeter Plan is adopted and implemented by a County Board of Supervisors, local agencies for which a county acts as “bank” and certain other public agencies and taxing areas located in that county receive annually the full amount of their share of property taxes on the secured rolls, including delinquent property taxes which have yet to be collected.

No Teeter Plan applies to the District.

Estimated Direct and Overlapping Indebtedness

Within the District’s boundaries are numerous overlapping local agencies providing public services. Some of these local agencies have outstanding bonds which are secured by taxes and assessments on the parcels within the District and others have authorized but unissued bonds which, if issued, will be secured by taxes and assessments levied on parcels within the District. The approximate amount of the direct and overlapping debt secured by such taxes and assessment on the parcels within the District for Fiscal Year 2009-10 is shown in Table 3 below (the “Debt Report”).

The Debt Report has been derived from data assembled and reported to the District by California Municipal Statistics, Inc. Neither the District nor the City have independently verified the information in the Debt Report and do not guarantee its completeness or accuracy.

TABLE 3

**CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS**

DIRECT AND OVERLAPPING DEBT

(Excludes Parcels with Prepaid Assessments)

2009-10 Local Secured Assessed Valuation: \$166,253,082

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 7/15/10</u>
Metropolitan Water District	0.009%	\$ 23,780
Coast Community College District	0.170	569,022
Newport Mesa Unified School District	0.345	564,311
City of Newport Beach Assessment District No. 100	100.	<u>2,670,000⁽¹⁾</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$3,827,113

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	0.044%	\$149,361
Orange County Pension Obligations	0.044	25,007
Orange County Board of Education Certificates of Participation	0.044	8,461
Municipal Water District of Orange County Water Facilities Corporation	0.053	7,484
City of Newport Beach Certificates of Participation	0.440	<u>17,556</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$207,869
Less: MWDOC Water Facilities Corporation (100% self-supporting)		<u>7,484</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$200,385

GROSS COMBINED TOTAL DEBT	\$4,034,982⁽²⁾
NET COMBINED TOTAL DEBT	\$4,027,498

⁽¹⁾ 1915 Act bonds to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2009-10 Assessed Valuation:

Direct Debt (\$2,670,000).....	1.61%
Total Direct and Overlapping Tax and Assessment Debt.....	2.30%
Gross Combined Total Debt.....	2.43%
Net Combined Total Debt.....	2.42%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$0

Source: California Municipal Statistics, Inc.

Assessed Value-to-Lien Ratios

As of July, 2010, the assessed value of the parcels with unpaid assessments based on the Fiscal Year 2010-11 is \$170,734,965. The total amount of unpaid assessments is \$2,670,006.38. The total overall value-to-lien ratio for parcels with unpaid assessments is 63.65-to-1.

The numbers provided in the following Tables 4, 5 and 6 exclude parcels that paid all of the assessment assigned to such parcels prior to issuance of the Bonds. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, absent a change in ownership, not to exceed a two percent (2%) increase for any given year; or may be reduced to reflect a reduction in the consumer price index or deflation, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such adjustment is computed on a calendar year basis. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation five times: 1% in Fiscal Year 1983-84; 1.19% in Fiscal Year 1995-96; 1.11% in Fiscal Year 1996-97; 1.85% in Fiscal Year 1999-00; and 1.867% in Fiscal Year 2004-05. For the first time since Article XIII A was approved, the State Board of Equalization has announced that there will be deflation (negative inflation) of -0.237% in Fiscal Year 2010-11.

Table 4 provides information breaking down the overall value-to-lien ratio of parcels into groups of parcels having a value-to-lien ratio within the specified range.

TABLE 4
CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS

ASSESSED VALUE-TO-LIEN RATIOS

<u>Value-to-Lien Ratio</u>	<u>Number of Parcels</u>	<u>Fiscal Year 2010-11 Assessed Value</u>			<u>Value-to-Lien Ratio</u>	<u>Assessment Lien</u>	<u>% of Lien</u>
		<u>Land</u>	<u>Structure</u>	<u>Total</u>			
Greater than 100:1	39	\$85,926,334	\$12,056,378	\$97,982,712	193.29 : 1	\$506,911.86	18.99%
50:1 to 99.99:1	36	32,917,531	9,453,759	42,371,290	70.86 : 1	597,923.45	22.39%
25:1 to 49.99:1	31	14,348,961	3,595,214	17,944,175	36.04 : 1	485,496.40	18.18%
10:1 to 24.99:1	32	5,573,743	3,542,584	9,116,327	16.80 : 1	542,486.33	20.32%
3:1 to 9.99:1	32	2,392,542	927,919	3,320,461	6.32 : 1	525,558.49	19.68%
Less than 2.99:1	<u>1⁽¹⁾</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00 : 1</u>	<u>11,629.85</u>	<u>0.44%</u>
Totals	171	\$141,159,111	\$29,575,854	\$170,734,965	63.65 : 1	\$2,670,006.38	100.00%

Source: Harris & Associates.

- ⁽¹⁾ Based on the information provided by the Assessor's office, the parcel which is Assessment No. 138 is owned by the owners of three other parcels in the District (Assessment Nos. 143, 148 and 149) and the value for the parcel which is Assessment No. 138 has been distributed to those three parcels. The three parcels are coded as single-family residential and Assessment No. 138 is coded as multi-family residential, although it appears to only have a garage on the property.

Table 5 provides information breaking down the overall value-to-lien ratio of parcels by land use within the District.

TABLE 5
CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS
ASSESSED VALUE-TO-LIEN RATIOS BY PERMITTED LAND USE

Land Use	Number of Parcels	Fiscal Year 2010-11 Assessed Value			Assessment Lien	% of Lien
		Land	Structure	Total		
Single-Family Res.	115	\$109,501,607	\$23,114,468	\$132,615,075	\$1,839,862.13	68.91%
Multi-Family Res.	46 ⁽¹⁾	25,652,936	4,627,322	30,280,258	734,890.30	27.52%
Condominium	9	5,718,293	1,834,064	7,552,357	77,532.27	2.90%
Vacant	1	286,275	0	286,275	17,721.68	0.66%
Totals	171	\$141,159,111	\$29,575,854	\$170,734,965	\$2,670,006.38	100.00%

Source: Harris & Associates.

- ⁽¹⁾ Based on the information provided by the Assessor's office, the parcel which is Assessment No. 138 is owned by the owners of three other parcels in the District (Assessment Nos. 143, 148 and 149) and the value for the parcel which is Assessment No. 138 has been distributed to those three parcels. The three parcels are coded as single-family residential and Assessment No. 138 is coded as multi-family residential, although it appears to only have a garage on the property.

Top Ten Property Owners

Table 6 shows the ten property owners (as reflected in County records available as of June 30, 2010) within the District with the largest unpaid assessments and the percentage of the assessments attributable to each owner's property. The table also shows the same information for all remaining landowners as a group.

TABLE 6
CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS
TOP TEN PROPERTY OWNERS WITH UNPAID ASSESSMENTS

Owner Name ⁽¹⁾	Number of Parcels	Fiscal Year 2010-11 Assessed Value			Assessment Lien	% of Lien
		Land	Structure	Total		
Ensminger, David	2	\$858,841	\$51,067	\$909,908	\$52,611.22	1.97%
Lear, Mary L.	1	205,096	77,879	282,975	41,535.18	1.56%
Bruder, Frank J.	2	336,145	51,373	387,518	35,443.36	1.33%
Doble One LLC	2	136,710	76,951	213,661	35,443.36	1.33%
Cancellieri, Jack A.	1	2,733,240	182,398	2,915,638	34,889.54	1.31%
Doostmard, Esmail	1	2,061,436	212,235	2,273,671	34,889.54	1.31%
Mc Aninch, Jeffrey & Jennifer	2	2,970,474	1,035,026	4,005,500	29,351.53	1.10%
Mc Laughlin, Thomas G.	2	112,148	59,552	171,700	26,582.52	1.00%
Winter Janet P.	1	267,522	31,461	298,983	26,582.51	1.00%
Woodworth Fred L.	1	85,485	452,777	538,262	26,582.51	1.00%
Subtotal Top 10 Owners:	15	\$9,767,097	\$2,230,719	\$11,997,816	\$343,911.27	12.88%
All Other Properties:	156	\$131,392,014	\$27,345,135	\$158,737,149	\$2,326,095.11	87.12%
Total:	171	\$141,159,111	\$29,575,854	\$170,734,965	\$2,670,006.38	100.00%

⁽¹⁾ County records may not reflect recent ownership changes, if any.

Source: Harris & Associates.

Historical Property Tax Collections and Delinquencies

As of June 30, 2010, \$104,464.99 of the property taxes levied in Fiscal Year 2009-10 on the parcels with unpaid assessments was delinquent. Property Taxes for Fiscal Year 2010-11 are not yet due. The level of delinquencies relating to property taxes in Fiscal Year 2009-10 and prior fiscal years reflects payment on or before June 30, 2010, of delinquent property taxes and may not be indicative of future delinquencies for the Assessment Installments.

Table 7 sets forth *ad valorem* property tax collections and delinquencies for properties in the District for Fiscal Years 2006-07 through 2009-10. The six delinquent parcels listed below represent approximately 2.59% of the total unpaid assessment of \$2,670,006.38.

TABLE 7
CITY OF NEWPORT BEACH
ASSESSMENT DISTRICT NO. 100
(13TH ST/BALBOA BLVD/ADAMS ST/OCEAN FRONT)
LIMITED OBLIGATION IMPROVEMENT BONDS

PROPERTY TAX DELINQUENCIES
FISCAL YEARS 2006-07 THROUGH 2009-10

Asmt No.	APN	Delinquencies – as of June 30, 2010 ⁽¹⁾				Aggregate Delinquency Amt ⁽³⁾	Tax Roll as of Jul-10 Land Value	Tax Roll as of Jul-10 Imp Value	Tax Roll as of Jul-10 Total Value	Confirmed Assessment	% of Total Assessment of \$2,670,006.38
		Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10 ⁽²⁾						
8	939-71-021	–	–	–	\$11,727.76	\$11,727.76	\$740,527	\$260,272	\$1,000,799	\$8,860.83	0.33%
63	047-252-12	\$1,769.20	\$1,634.02	\$1,481.72	1,322.00	6,206.94	68,352	22,095	90,447	17,721.68	0.66%
118	047-282-20	–	–	22,186.45	39,006.42	61,192.87	3,369,516	55,666	3,425,182	11,629.85	0.44%
126	047-282-15	–	–	–	38,833.42	38,833.42	3,344,929	30,071	3,375,000	11,629.85	0.44%
197	048-074-02	–	–	–	8,797.83	8,797.83	1,302,909	210,591	1,513,500	11,629.85	0.44%
269	932-16-030	–	–	–	4,777.56	4,777.56	1,377,613	172,387	1,550,000	7,753.23	0.29%
		\$1,769.20	\$1,634.02	\$23,668.17	\$104,464.99	\$131,536.38	\$10,203,846	\$751,082	\$10,954,928	\$69,225.69	2.59%

⁽¹⁾ Represents the amount levied in the indicated fiscal year, together with penalties and interest accrued through June 30, 2010. Excludes penalties and interest accrued after June 30, 2010.

⁽²⁾ Other parcels were delinquent during Fiscal Year 2009-10 or earlier fiscal years but paid the amounts due prior to June 30, 2010.

⁽³⁾ The City does not have information regarding the aggregate Fiscal Year 2009-10 tax levies for the parcels included within the District. Other parcels were delinquent during Fiscal Year 2009-10 but paid the amounts due prior to June 30, 2010.
The June 30, 2010, delinquencies of \$131,536.38 represent approximately 1.3% of the assessed value of the delinquent parcels. Excludes penalties and interest accrued after June 30, 2010.

Source: Harris & Associates; County Treasurer-Tax Collector.

BOND OWNERS' RISKS

In addition to the other information contained in this Official Statement, the following risk factors should be carefully considered in evaluating the investment quality of the Bonds. The City cautions prospective investors that this discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Assessment Installments when due. Any such failure to pay Assessment Installments could result in the inability of the City to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District.

General

In order to pay debt service on the Bonds, it is necessary that unpaid Assessment Installments on land within the District are paid in a timely manner. To the extent available, the Reserve Fund will be used to pay delinquent Assessment Installments should they occur. The assessments are secured by a lien on the parcels of land located in the District and the City may institute foreclosure proceedings to sell land with delinquent Assessment Installments for the amount of such delinquent installments in order to obtain funds to pay debt service on the Bonds.

Failure by owners of the parcels to pay Assessment Installments when due, depletion of the Reserve Fund or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Assessment Installments for such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds, and Bond Owners would therefore be adversely affected.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for comparable properties in such area and the market value of residential or commercial property in the event of sale or foreclosure; (ii) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, tsunamis, fires and floods), which may result in uninsured losses.

Unpaid Assessment Installments do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance the owners will be able to pay the Assessment Installments or that they will pay such installments even if financially able to do so.

Foreclosure Shortfall

Amendments to the 1915 Act enacted in 1988 and effective January 1, 1989, provide that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as used in the 1915 Act is the amount equal to the delinquent installments of principal or interest of the assessment or assessment, together with all interest, penalties, costs, fees, charges and other amounts more fully detailed in the 1915 Act. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the Bond Owners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Fund and a delay in payments of debt service on the Bonds. See "SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure – *Judicial Foreclosure Proceedings.*"

Property Tax Delinquencies

As of June 30, 2010, six parcels within the Assessment District remained delinquent in payment of taxes and assessments levied in Fiscal Year 2009-10. The six parcels represent approximately 2.59% of the unpaid assessments of \$2,670,006.38 levied on the parcels that did not pay the assessments during the cash collection period. Property taxes for Fiscal Year 2010-11 are not yet due. The delinquency rate relating to property taxes reflects payment on or before June 30, 2010 of delinquency property taxes and may not be indicative of future delinquency rates for the Assessment Installments.

Delinquency Resulting in Ultimate or Temporary Loss on Bonds

If a temporary deficiency occurs in the Redemption Fund with which to pay principal and interest due on Bonds that have then matured, past due interest or the principal and interest on Bonds coming due during the current year, but it does not appear to the Administrative Services Director that there will be an ultimate loss to the Bond Owners, the Administrative Services Director shall cause the Paying Agent to pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due, as long as there are available funds in the Redemption Fund, in the order of priority and as required by the Indenture. If it appears to the Administrative Services Director that there is a danger of an ultimate loss accruing to the Bond Owners for any reason, he or she is required pursuant to the 1915 Act to withhold payment on all matured Bonds and interest on all Bonds and report the facts to the City Council so that the City Council may take proper action to equitably protect all Bond Owners.

Concentration of Ownership

There are 171 parcels in the District with unpaid assessments. For a list of the largest property owners, see “THE DISTRICT – Top Ten Property Owners.” The timely payment of the Assessment Installment will depend upon the willingness and ability of the owners of the parcels to pay such installments when due. The City has not undertaken to assess the financial condition of the owners of the parcels or the likelihood that they will pay or will be able to pay the Assessment Installments when due and expresses no view concerning these matters.

Non-Cash Payments of Assessments

The 1915 Act may permit the owner of a parcel that is subject to an unpaid Assessment Installment to tender any bond secured by such assessment in payment or partial payment of any installment of the assessment or interest or penalties thereon which may be due or payable. A bond so tendered is to be accepted at the par amount thereof and credit is to be given for any interest thereon accrued to the date of the tender. Thus, if Bonds can be purchased at a discount, it may be to the advantage of a property owner to pay amounts due with respect to an assessment by tendering a Bond. Such a practice would decrease the cash flow available to the City to make payments with respect to other Bonds then outstanding and could result in a default in payment on the Bonds.

Land Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Assessment Installments, the District’s only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the delinquent Assessment Installments. Reductions in property values due to a downturn in the economy, physical events, such as earthquakes, tsunamis, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the assessments. See “THE DISTRICT – Assessed Value-to-Lien Ratios” herein.

The assessed values of the property within the District contained herein do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor not to exceed an increase of more than 2% per fiscal year. No assurance can be given that a parcel could actually be sold for its assessed value. No assurance can be given that the values of the property within the District will not decline in the future if one or more events, such as natural disasters or adverse economic conditions, occur.

No assurance can be given that any bid will be received for a parcel with delinquent Assessment Installments offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Assessment Installments. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure.”

Limited City Obligation Upon Delinquency

Pursuant to the 1915 Act, the City has elected not to be obligated to advance funds from the treasury of the City for delinquent Assessment Installments. The only obligation of the City with respect to such delinquencies and the consequent deficiencies in the Redemption Fund is to advance money to the Redemption Fund from the Reserve Fund. The City has no obligation to replenish the Reserve Fund except to the extent that delinquent Assessment Installments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Reserve Fund will always be adequate to pay all delinquent Assessment Installments and if during the period of delinquency there are insufficient funds in the Reserve Fund, a delay may occur in payments to the Bond Owners.

Collection of the Assessments

The Assessment Installments are to be collected in the same manner as ordinary *ad valorem* real property taxes are collected and, except as provided in the special covenant for foreclosure in the Indenture, are to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* real property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property may be deeded to the State and then is subject to sale by the County.

Pursuant to the 1915 Act, in the event any delinquency in the payment of an Assessment Installment occurs, the City may commence an action in superior court to foreclose the lien therefor within the specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. Amendments to the 1915 Act enacted in 1988 and effective January 1, 1989, provide that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than Minimum Price will not result in an ultimate loss to the Bond Owners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure – *Judicial Foreclosure Proceeding*.”

There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid a delay in payments of debt service on the Bonds. The City has covenanted that the City will commence foreclosure upon the occurrence of a delinquency as provided in the Indenture and thereafter diligently prosecute an action in the superior court to foreclose the lien of the delinquent Assessment Installments against parcels of land in the District for which such installment has been billed but has not been paid and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale, all as provided in the Indenture. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure.” In the event that sales or foreclosures of property are necessary, there could be a delay in payments on the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale.

Availability of Funds to Pay Delinquent Assessment Installments

Upon receipt of the proceeds from the sale of the Bonds, the City will initially establish the Reserve Fund in the amount of the Reserve Requirement. The moneys in the Reserve Fund constitute a trust fund for the benefit of the Bond Owners, will be held by the Paying Agent and will be administered by the Paying Agent in accordance with and pursuant to the provisions of the Indenture. If a deficiency occurs in the Redemption Fund for payment of interest on or principal of the Bonds, the Paying Agent will transfer into such fund an amount out of the Reserve Fund needed to pay debt service on the Bonds. There is no assurance that the balance in the Reserve Fund will always be adequate to pay the debt service on the Bonds in the event of delinquent Assessment Installments.

If, during the period of delinquency, there are insufficient funds in the Reserve Fund to pay the principal of and interest on the Bonds as they become due, a delay may occur in payment of principal and/or interest to the owners of the Bonds.

Owner Not Obligated to Pay Assessments

Unpaid assessments do not constitute a personal indebtedness of the owner of parcels within the District, and the property owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. There is no assurance that the property owners have the ability to pay the Assessment Installments or that, even if they have the ability, they will choose to pay such Assessment Installments. An owner may elect not to pay the assessments when due and cannot be legally compelled to do so. If an owner decides it is not economically feasible to develop or to continue owning its property encumbered by the lien of the assessment, or decides that for any other reason it does not want to retain title to the property, such owner may choose not to pay assessments and to allow the property to be foreclosed. Such a choice may be made due to a decrease in the market value of the property. A foreclosure of the property will result in such owner's interest in the property being transferred to another party. Neither the City nor any Bond Owner will have the ability at any time to seek payment directly from any owner of property within the District of any assessment or any principal or interest due on the Bonds or the ability to control who becomes a subsequent owner of any property within the District.

Parity Taxes and Special Assessments; Future Indebtedness

The ability or willingness of a property owner in the District to pay the Assessment Installments could be affected by the existence of other taxes and assessments imposed upon the property. The assessments and any penalties thereon constitute a lien against the lots and parcels of land on which they have been levied until they are paid. Such lien is subordinate to all fixed special assessment liens previously imposed on the same property but has priority over all existing and future private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general property taxes and the lien for any community facilities district special taxes regardless of when they are imposed upon the same property. In addition, other public agencies whose boundaries overlap those of the District could, with or in some circumstances without the consent of the owners of the land in the District, impose additional taxes or assessment liens on the property in the District in order to finance public improvements to be located inside or outside of the District.

The City, however, has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property in the District. In addition, the City has not prohibited itself from establishing assessment districts, community facilities districts or other districts which might impose assessments or taxes against property in the District. The imposition of additional liens on a parity with the assessments could reduce the ability or willingness of the owners of parcels in the District to pay the assessments and increases the possibility that foreclosure

proceeds will not be adequate to pay delinquent assessments or the principal of and interest on the Bonds when due. See “THE DISTRICT – Estimated Direct and Overlapping Indebtedness.”

Except for assessments securing the Bonds and direct and overlapping tax and assessment debt referenced in Table 3, the City is not aware of any assessment liens on the property in the District.

Bankruptcy and Foreclosure

The payment of the assessments and the ability of the City to foreclose the lien of a delinquent unpaid assessment, as discussed in “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars, delays in the legal process and procedural delaying tactics.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the assessments to become extinguished, bankruptcy of a property owner or of a partner or other equity owner of a property owner could result in a stay in the enforcement of the lien for the assessment, a delay in prosecuting superior court foreclosure proceedings or adversely affect the ability or willingness of a property owner to pay the Assessment Installments and could result in delinquent Assessment Installments not being paid in full. In addition, the amount of any lien on property securing the payment of delinquent Assessment Installments could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien and the amount of the delinquent Assessment Installments in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien, or any such delay or nonpayment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Assessment Installments not being paid in full. Where property is encumbered by liens securing mortgage loans, it is highly probable that bankruptcy of a property owner would delay foreclosure for an extended period of time. Such a delay would increase the likelihood of a delay or default in payment of the principal and interest on the Bonds.

FDIC/Federal Government Interests in Parcels

The ability of the City to collect interest and penalties specified by the 1915 Act and to foreclose the lien of delinquent Assessment Installments may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the “FDIC”), the Internal Revenue Service, the Drug Enforcement Agency or other similar federal government agencies has or obtains an interest.

Specifically, with respect to the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Assessment Installment is not paid, the remedies available to the City may be constrained. The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of *non-ad valorem* taxes, such as the Assessment Installments, which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its

lien to be foreclosed by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a portion of the parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would prevent or delay the foreclosure sale.

Natural Disasters

Property within the District may be subject to unpredictable seismic activity, fires, floods or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event.

Homes within the District near the shore of the Pacific Ocean are susceptible to flooding as a result of high tides from the Pacific Ocean. The City currently uses a “tidal valve” system to prevent flooding and to protect the homes. No assurances can be given that such system will always protect homes in the District near the shore of the Pacific Ocean from high tides and flooding. Should such homes be damaged or destroyed as a result of flooding, owners of such homes may be unable or unwilling to pay the Assessment Installments when due.

In the event of a severe earthquake, tsunami, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Assessment Installments when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Assessment Installments.

Hazardous Substances

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. The value of a parcel may be reduced as a result of a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Super Fund Act,” is the most well known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the District be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition because the prospective purchaser of such a parcel will, upon becoming the owner of such parcel, become obligated to remedy the condition just as the seller of such a parcel is so obligated.

No Acceleration

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture. There is no provision in the Act or the Indenture for acceleration of the Assessment Installments in the event of a payment default by an owner of a parcel or otherwise, or upon any adverse change in the tax status of interest on the Bonds. Pursuant to the Indenture, a Bond Owner is given the right for the equal benefit and protection of

all Bond Owners to pursue certain remedies described in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Loss of Tax Exemption

As discussed under the heading “CONCLUDING INFORMATION – Tax Matters,” interest on the Bonds could cease to be excluded from gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued as a result of acts or omissions of the City in violation of certain provisions of the Code and the covenants of the Indenture. In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the City has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 100 of the Internal Revenue Code of 1986, as amended. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption provisions of the Indenture. See “THE BONDS – Redemption.”

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the City has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bond Owners on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Ballot Initiatives and Legislative Measures

From time to time constitutional initiatives or other initiative measures may be adopted by California voters and the State legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. The adoption of any such initiative or legislation might place limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations.

Constitutional Amendment – Articles XIIC and XIID

An initiative measure commonly referred to as the “Right to Vote on Taxes Act” (the “Initiative”) was approved by the voters of the State of California at the November 5, 1996, general election. The Initiative added Article XIIC (“Article XIIC”) and Article XIID (“Article XIID”) to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the City under the 1913 Act (including, if applicable, any increase in such assessment or any supplemental assessment under the 1913 Act) must be conducted in conformity with the provisions of Section 4 of Article XIID. The City completed its proceedings for the levy of assessments in the District on June 8, 2010, after complying with the procedural requirements of Section 4 of Article XIID. Under Section 10400 of the 1913 Act, any challenge to the proceedings or the assessment must be brought within 30 days after the date the assessment was levied.

Article XIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIC does not define the term “assessment,” and it is unclear whether this term is intended to include assessments levied under the 1913 Act. In the case of the unpaid assessments which are pledged as security for payment of the Bonds, the 1915 Act provides a mandatory, statutory duty of the City and the County Auditor to post Assessment Installments on account of the unpaid assessments to the property tax roll of the County each year while any Bonds are outstanding, commencing with property tax year 2010-11, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year, plus certain administrative costs. Although the matter is not free from doubt, it is unlikely that a court would hold that the initiative power can be used to reduce or repeal the unpaid assessments which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid assessments which are pledged as security for payment of the Bonds.

The interpretation and application of the Initiative will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

CONCLUDING INFORMATION

Continuing Disclosure

The City has agreed to execute a Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”) prior to delivery of the Bonds for the benefit of the Underwriter, holders and beneficial owners of the Bonds to provide certain financial information and operating data relating the District not later than March 31 after the end of the City’s fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). Each Annual Report will be filed on behalf of the City by the Dissemination Agent with the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access system (the “EMMA System”) in an electronic format and accompanied by identifying information as prescribed by the MSRB, with a copy to the Paying Agent and the Underwriter. Any Notice Event (as defined in the Disclosure Dissemination Agent Agreement) will be filed by the City or the Dissemination Agent on behalf of the City, with the MSRB through the EMMA System. The specific nature of the information to be included in the Annual Report and the notices of Notice Events is set forth in APPENDIX F – “DISCLOSURE DISSEMINATION AGENT AGREEMENT.” The City has agreed to execute the Disclosure Agreement in order to assist the

Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). See APPENDIX F – “DISCLOSURE DISSEMINATION AGENT AGREEMENT.”

It should be noted that the City is required to file certain financial statements with the Annual Report. This requirement has been included in the Disclosure Agreement solely to satisfy the provisions of the Rule. The inclusion of this information does not mean that the Bonds are secured by any resources or property of the City other than as described hereinabove. See “BOND OWNERS’ RISKS – Limited City Obligation Upon Delinquency.” It should also be noted that the list of significant events which the City has agreed to report includes one item which has absolutely no application to the Bonds. These items have been included in the list solely to satisfy the requirements of the Rule. Any implication from the inclusion of these items in the list, to the contrary notwithstanding, the Bonds have not been assigned a credit rating.

The City has never failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events.

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval of Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation, Bond Counsel (“Bond Counsel”). The opinion of Bond Counsel attesting to the validity of the Bonds will be delivered with each Bond. A form of the opinion to be delivered by Bond Counsel is set forth in Appendix D hereto.

The descriptions of the Bonds and statements of law and legal conclusions set forth in this Official Statement under the headings “THE BONDS,” “SECURITY FOR THE BONDS,” “CONCLUDING INFORMATION – Tax Matters” and Appendices C and D herein have been reviewed by Bond Counsel. Bond Counsel’s engagement is limited to a review of the legal procedures required for the authorization of the Bonds and the exemption of interest on the Bonds from income taxation. See “CONCLUDING INFORMATION – Tax Matters” herein. The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including the Official Statement, not mentioned in this paragraph.

Tax Matters

In the opinion of Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 100 of the Code and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers or

similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption or payment on maturity) of such Bonds. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of such Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the property treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City, as issuer of the Bonds, has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of any person other than Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislation, if enacted into law, or clarification of the Code, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers

regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance and delivery of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the beneficial owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds to audit, or the course or result of such audit, or the audit of bonds representing similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the beneficial owners to incur significant expense.

No Litigation

There is no action, suit or proceeding known by the City to be pending at the present time restraining or enjoining the delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the execution or delivery thereof. A no litigation certificate executed by the City will be required to be delivered to the Underwriter simultaneously with the delivery of the Bonds.

Rating

Standard & Poor's Ratings Group ("S&P") has assigned its municipal rating of "A-" to the Bonds. The rating reflects only the views of S&P and any explanation of the significance of the rating should be obtained from Standard & Poor's Ratings Group, 55 Water Street, New York, New York 10041 (212) 438-1000. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The City has no obligation to maintain any rating for the Bonds.

Financial Interests

The fees being paid to the Financial Advisor, Disclosure Counsel and Bond Counsel are contingent upon the issuance and delivery of the Bonds.

Underwriting

The Bonds were sold to Southwest Securities, Inc. (the "Underwriter") at a negotiated sale. The Underwriter has agreed to purchase the Bonds at a price of \$2,651,232.00 (\$2,670,000.00 par value, less a net original issue discount of \$238.20 and less an Underwriter's discount of \$18,529.80). The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the

obligation to make such purchase is subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by Bond Counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

Financial Advisor

Fieldman, Rolapp & Associates, Irvine, California, served as financial advisor to the City with respect to the sale of the Bonds. Fieldman, Rolapp & Associates will receive compensation contingent upon the sale and delivery of the Bonds.

Miscellaneous

All quotations from, and summaries and explanations of, the Indenture and other statutes and documents contained herein do not purport to be complete, and reference is made to said documents, the Indenture and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the City. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the City. The information contained herein should not be construed as representing all conditions affecting the City or the Bonds.

The execution and delivery of this Official Statement have been authorized by the City.

CITY OF NEWPORT BEACH

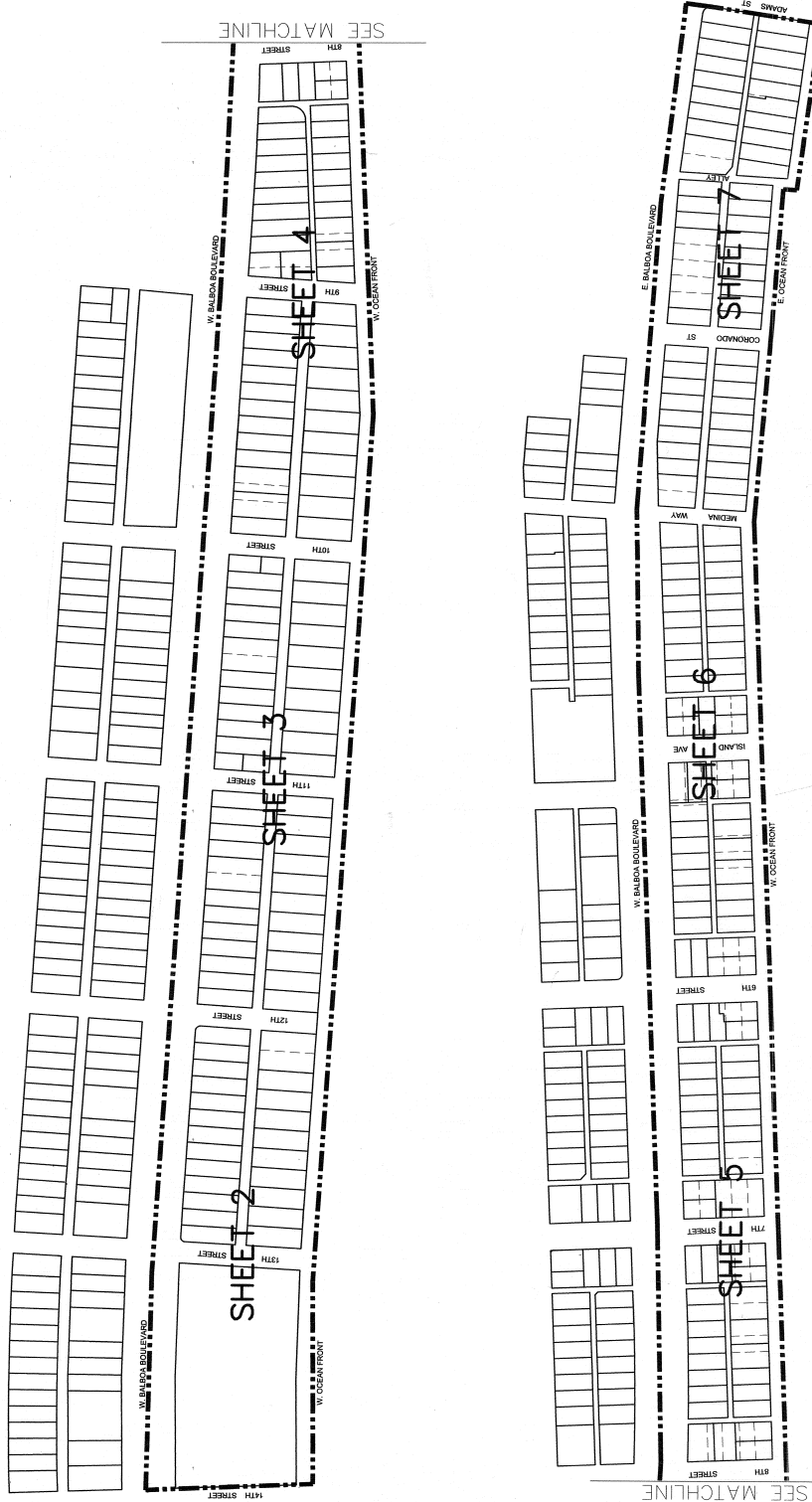
By /s/ Keith D. Curry
Mayor

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APPENDIX A

ASSESSMENT DIAGRAM

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 100
(13th Street/Balboa Boulevard/Adams Street/Ocean Front)
CITY OF NEWPORT BEACH, COUNTY OF ORANGE
STATE OF CALIFORNIA



THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ORANGE COUNTY ASSESSOR, SPECIFICALLY BOOK 47 PAGES 24, 25 & 28 AND BOOK 48 PAGES 2, 7, 8 & 12. ALL DIMENSIONS SHOWN HEREIN ARE PER THE ASSESSOR'S PARCEL MAPS.

SCALE: 1" = 150'

ACCEPTED AND FILED AT THE
REQUEST OF
CITY OF NEWPORT BEACH
DATE JUNE 7, 2010
TIME 2:29 PM FEE \$ EXEMPT
INSTRUMENT # 2010000231057
BOOK 95 PAGE 8-14 N/A
OF MAPS OF ASSESSMENT AND COMMUNITY
FACILITIES DISTRICTS IN THE OFFICE OF THE
RECORDER OF THE COUNTY OF ORANGE,
STATE OF CALIFORNIA.

TOM DAILY
COUNTY CLERK RECORDER
BY R. H. Harnville
DEPUTY

EXEMPT RECORDING PER
G.C. 6103

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF
STREETS, CITY OF NEWPORT BEACH THIS 7TH DAY OF
JUNE, 2010.

SUPERINTENDENT OF STREETS

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON
THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON
THE ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS
LEVIED ON THE 8TH DAY OF JUNE, 2010.
REFERENCE IS MADE TO THE ASSESSMENT ROLL
RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF
STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT
LEVIED AGAINST THE PARCELS SHOWN ON THIS
ASSESSMENT DIAGRAM.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY
OF NEWPORT BEACH THIS 8TH DAY OF JUNE, 2010.

LEGEND:

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LOT LINE
ASSESSMENT DISTRICT
BOUNDARY

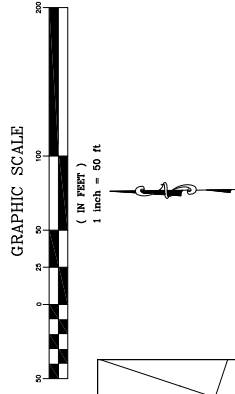


Harris & Associates
PROGRAM MANAGERS
CONSTRUCTION MANAGERS
CIVIL ENGINEERS
34 EXECUTIVE PARK, SUITE 150, IRVINE, CA 92614-4705
(949) 655-3900

DATE 02/23/2010 SHEET 1 OF 7

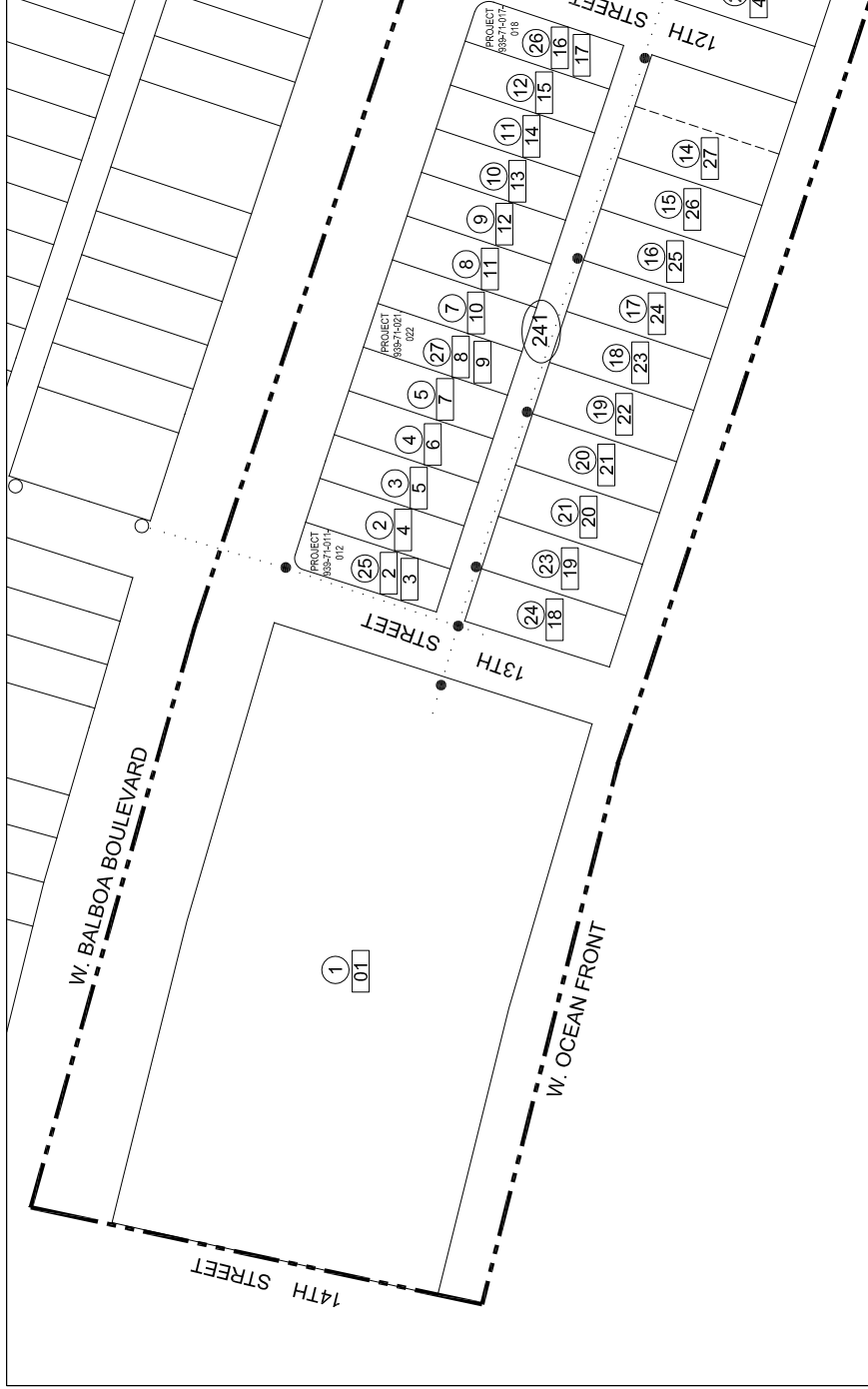
ASSESSMENT DIAGRAM FOR
 ASSESSMENT DISTRICT No. 100
 (13th Street/Balboa Boulevard/Adams Street/Ocean Front)
 CITY OF NEWPORT BEACH, COUNTY OF ORANGE
 STATE OF CALIFORNIA

Assessor's Map Book 047



LEGEND:

- ASSESSOR'S PARCEL LINE
- LOT LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSOR'S PAGE SECTION
- ASSESSOR'S PARCEL NUMBER
- POLES TO BE REMOVED
- ASSESSMENT NUMBER
- WIRES TO BE REMOVED



MATCHLINE SEE SHEET 3

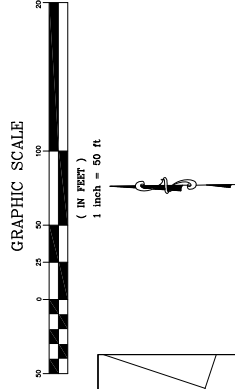
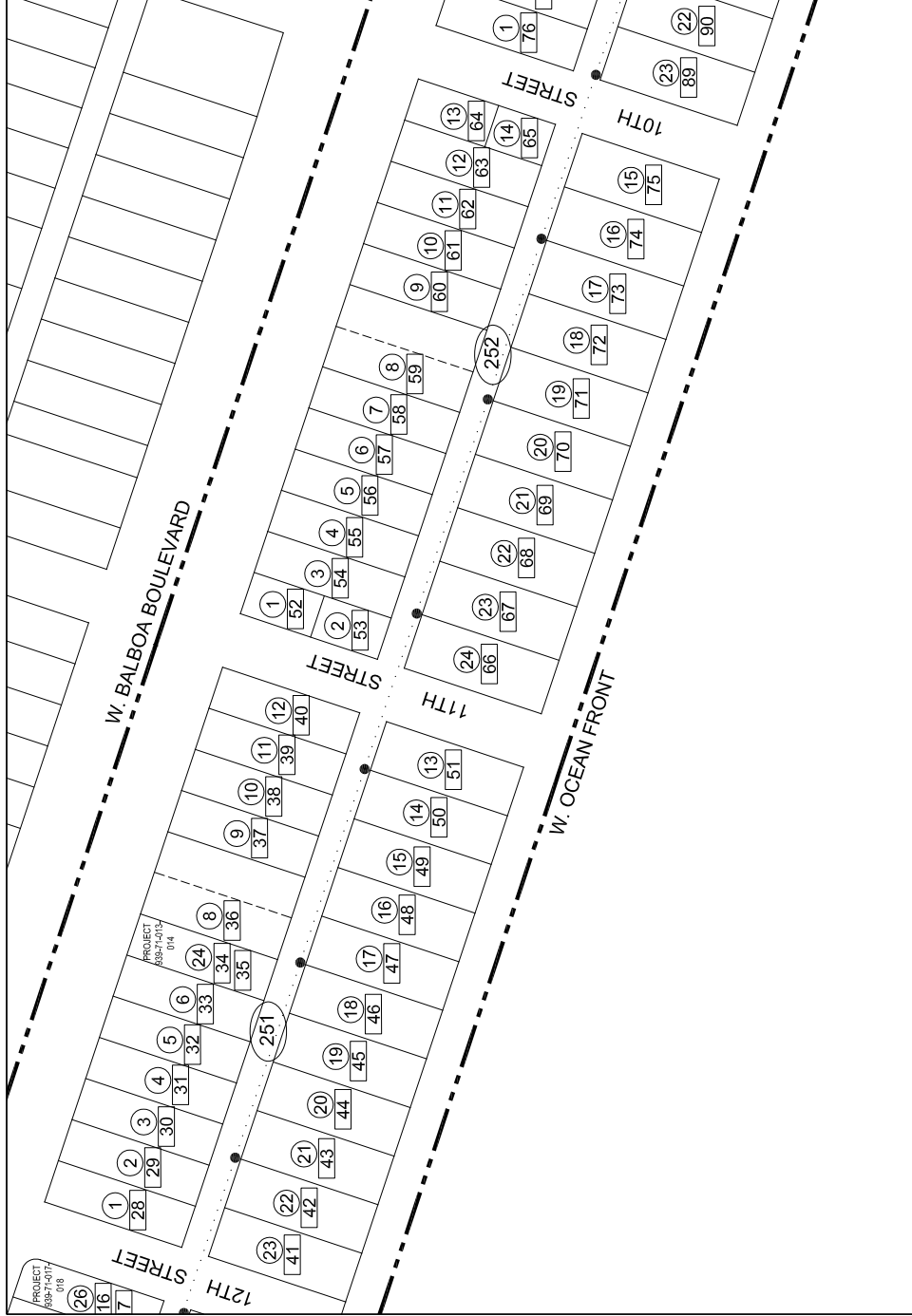
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 CIVIL ENGINEERS
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DATE 02/23/2010

SHEET 2 OF 7

ASSESSMENT DIAGRAM FOR
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(13th Street/Balboa Boulevard/Adams Street/Ocean Front)
CITY OF NEWPORT BEACH, COUNTY OF ORANGE
STATE OF CALIFORNIA

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- ASSESSOR'S PARCEL NUMBER
- POLES TO BE REMOVED
- ASSESSMENT NUMBER
- WIRES TO BE REMOVED

MATCHLINE SEE SHEET 4

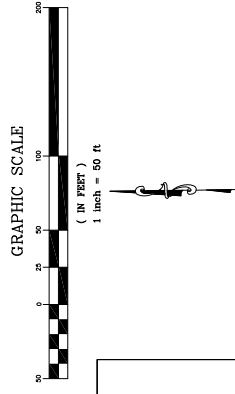
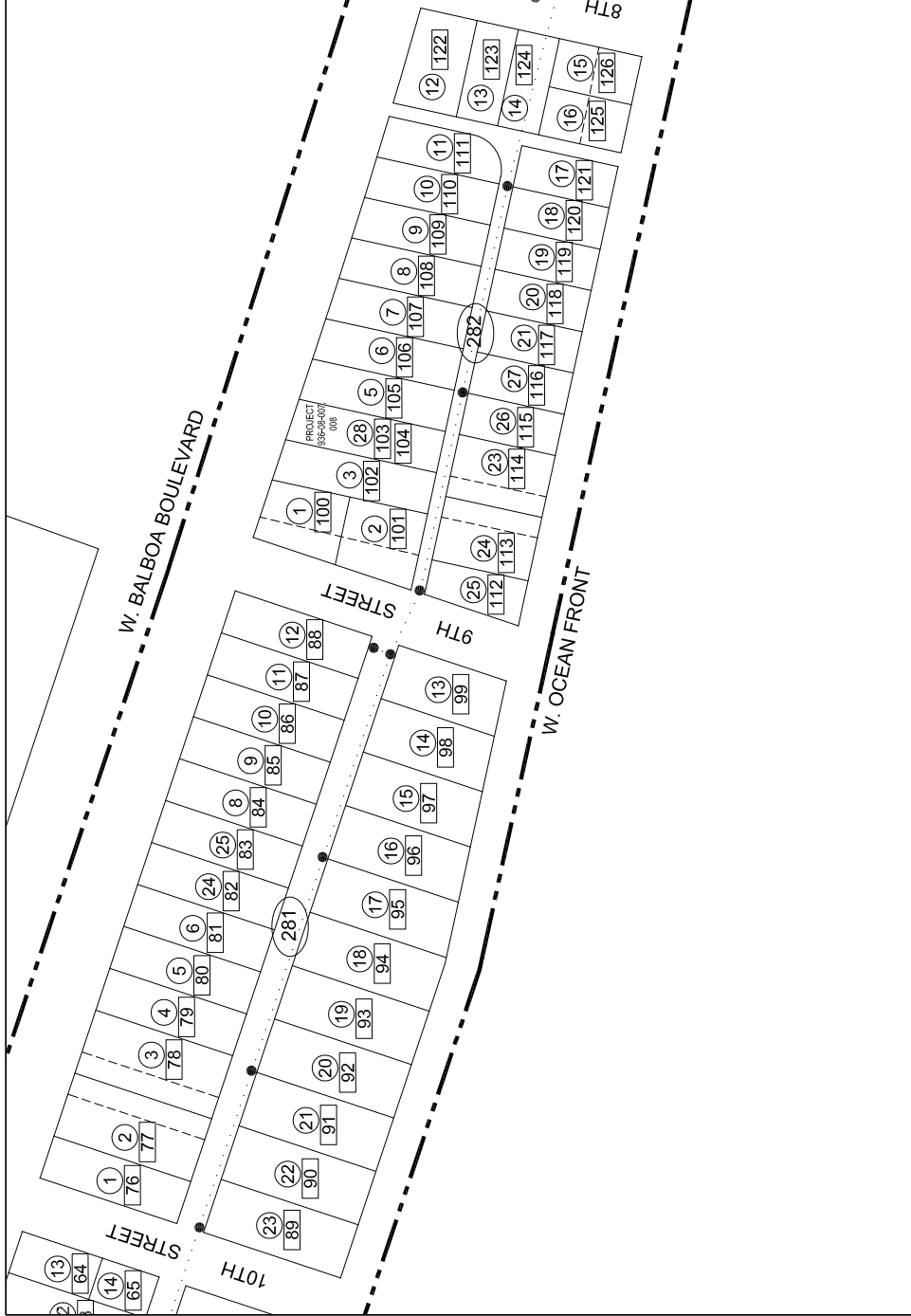
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DATE 02/23/2010

SHEET 3 OF 7

ASSESSMENT DIAGRAM FOR
 ASSESSMENT DISTRICT No. 100
 (13th Street/Balboa Boulevard/Adams Street/Ocean Front)
 CITY OF NEWPORT BEACH, COUNTY OF ORANGE
 STATE OF CALIFORNIA

Assessor's Map Book 047



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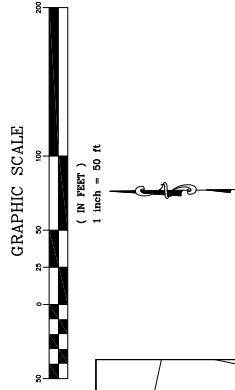
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DATE 02/23/2010

SHEET 4 OF 7

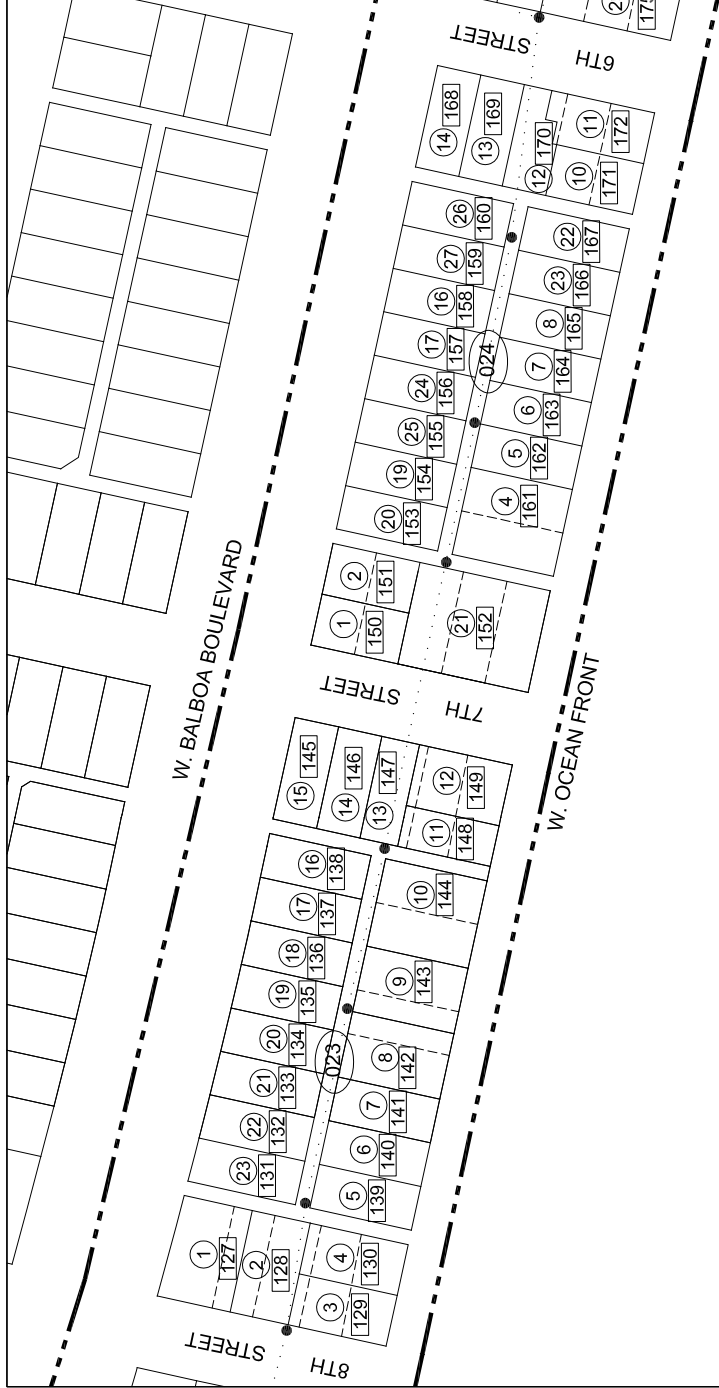
ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 100
(13th Street/Balboa Boulevard/Adams Street/Ocean Front)
CITY OF NEWPORT BEACH, COUNTY OF ORANGE
STATE OF CALIFORNIA

Assessor's Map Book 048



LEGEND:

- ASSESSOR'S PARCEL LINE
- LOT LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSOR'S PAGE SECTION
- ASSESSOR'S PARCEL NUMBER
- POLES TO BE REMOVED
- ASSESSMENT NUMBER
- WIRES TO BE REMOVED



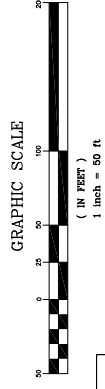
Harris & Associates
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CIVIL ENGINEERS
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(949) 655-3900

DATE 02/23/2010

SHEET 5 OF 7

ASSESSMENT DIAGRAM FOR
ASSESSMENT DISTRICT No. 100
(13th Street/Balboa Boulevard/Adams Street/Ocean Front)
CITY OF NEWPORT BEACH, COUNTY OF ORANGE
STATE OF CALIFORNIA

Assessor's Map Book 048



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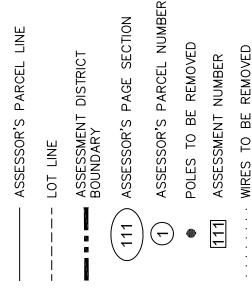


Harris & Associates
PROGRAM MANAGERS
CIVIL ENGINEERS
34 EXECUTIVE PARK, SUITE 150, IRVINE, CA 92614-4705
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DATE 02/23/2010

SHEET 6 OF 7

Assessor's Map Book 048



SHEET 7 OF 7

APPENDIX B

INFORMATION ABOUT THE NEWPORT BEACH AREA

This appendix sets forth general information about the Newport Beach area. This information is included only for general background purposes. It is not intended to suggest that the Bonds are payable from any source other than the assessments and certain funds and accounts created by the Indenture.

General Description

The City of Newport Beach (the “City”) was incorporated September 1, 1906. The Council-Manager form of government was established by Municipal Charter on January 7, 1955. The City is located in Orange County, California, and is 75 miles north of San Diego, 15 miles south of Long Beach and 50 miles south of Los Angeles. The tourist population is high throughout the year. Its harbor, recreation and special attractions draw many to the City.

Climate & Topography

The City’s climate is moderate. Because the City is a beach city, temperatures are generally cooler in the summer and warmer in the winter than other Southern California areas. While much of the City is just above sea level, the City does rise inland. The total area of the City in square miles is: Land–25.0, Bay–2.5 and Ocean–23.0, for a total of 50.5 square miles.

Population

The table below shows the recent population of the City and County of Orange (the “County”).

POPULATION GROWTH, 2005-2010
City of Newport Beach and the County of Orange

<u>Year⁽¹⁾</u>	<u>City of Newport Beach</u>	<u>County of Orange</u>
2005	82,778	3,044,980
2006	83,124	3,061,535
2007	83,564	3,077,656
2008	84,145	3,104,046
2009	86,145	3,134,858
2010	86,738	3,166,461

⁽¹⁾ As of January of the year shown. Reflects revised estimates as of May 2010.

Source: California State Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010 with 2000 DRU Benchmark. Sacramento, California, May 2010.

Employment

The following table summarizes wage and salary employment in the County from 2005 through May 2010. The total wage and salary employment in the County decreased by -8.9% between 2005 and May 2010. "Service Providing" is the largest employment sector in the County.

ANNUAL AVERAGE INDUSTRY EMPLOYMENT⁽¹⁾ Orange County Primary PMSA

	2005	2006	2007	2008	2009	2010*
Total, All Industries	1,496,500	1,524,300	1,520,500	1,486,200	1,375,400	1,364,000
Total Farm	5,600	5,300	5,000	4,600	3,900	4,600
Total Nonfarm	1,491,000	1,518,900	1,515,500	1,481,600	1,371,400	1,359,400
Total Private	1,335,600	1,362,200	1,356,200	1,320,900	1,214,200	1,201,100
Goods Producing	283,500	289,900	284,000	265,900	228,600	216,400
Natural Resources and Mining	700	600	600	600	500	500
Construction	99,900	106,600	103,100	91,200	73,600	63,900
Manufacturing	182,900	182,700	180,400	174,100	154,500	152,000
Service Providing	1,207,400	1,229,000	1,231,500	1,215,700	1,142,800	1,143,000
Trade, Transportation & Utilities	269,800	272,800	277,000	271,600	250,000	245,400
Wholesale Trade	83,000	83,700	86,900	86,700	80,100	78,300
Retail Trade	158,100	160,800	161,200	155,600	141,900	139,500
Transportation, Warehousing & Util	28,700	28,200	28,900	29,300	27,900	27,600
Information	32,800	31,900	31,200	30,100	27,400	25,200
Financial Activities	138,400	138,200	127,700	113,100	105,600	104,500
Professional and Business Services	264,300	274,500	273,300	266,600	239,000	237,900
Educational and Health Services	133,500	137,700	142,600	150,700	151,100	154,300
Leisure & Hospitality	165,000	169,600	172,900	176,400	169,700	177,300
Other Services	48,400	47,700	47,400	46,500	42,800	43,000
Government	155,300	156,700	159,400	160,800	157,300	158,300

Note: The "Total All Industries" data is not directly comparable to the employment data found herein.

* 2010 data through May 2010.

⁽¹⁾ Employment is reported by place of work; it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.

Source: State of California, Employment Development Department, Orange PMSA Industry Employment & Labor Force by Annual Average, March 2009 Benchmark.

The following table summarizes civilian labor force, employment and unemployment in the City, the County, the State of California (the “State”) and the United States of America from 2005 to 2010.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City of Newport Beach, County of Orange, State of California and United States of America
Annual Averages, 2005-2010

<u>Year and Area</u>	<u>Civilian Labor Force</u>	<u>Civilian Employment⁽¹⁾</u>	<u>Civilian Unemployment⁽²⁾</u>	<u>Civilian Unemployment Rate⁽³⁾</u>
<u>2005</u>				
Newport Beach	45,200	44,200	1,100	2.3%
Orange County	1,588,800	1,529,000	59,900	3.8
California	17,544,800	16,592,200	952,600	5.4
United States ⁽⁴⁾	149,320,000	141,730,000	7,591,000	5.1
<u>2006</u>				
Newport Beach	45,400	44,500	900	2.1%
Orange County	1,607,000	1,552,400	54,600	3.4
California	17,718,500	16,851,600	866,900	4.9
United States ⁽⁴⁾	151,428,000	144,427,000	7,001,000	4.6
<u>2007</u>				
Newport Beach	45,600	44,500	1,100	2.4%
Orange County	1,615,900	1,553,400	62,600	3.9
California	17,970,800	17,011,000	959,800	5.3
United States ⁽⁴⁾	153,124,000	146,047,000	7,078,000	4.6
<u>2008</u>				
Newport Beach	45,600	44,100	1,500	3.3%
Orange County	1,625,300	1,539,800	85,500	5.3
California	18,251,600	16,938,300	1,313,200	7.2
United States ⁽⁴⁾	154,287,000	145,362,000	8,924,000	5.8
<u>2009</u>				
Newport Beach	44,000	41,500	2,500	5.7%
Orange County	1,594,200	1,451,000	143,200	9.0
California	18,250,200	16,163,900	2,086,200	11.4
United States ⁽⁴⁾	154,142,000	139,877,000	14,265,000	9.3
<u>2010*</u>				
Newport Beach	44,200	41,500	2,600	5.8%
Orange County	1,602,400	1,450,800	151,600	9.2
California	18,314,600	16,014,600	2,300,000	11.9
United States ⁽⁴⁾	153,911,000	139,302,000	14,609,000	9.3

(1) Includes persons involved in labor-management trade disputes.

(2) Includes all persons without jobs who are actively seeking work.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

(4) Not strictly comparable with data for prior years.

* 2010 data through May 2010.

Source: State of California, Employment Development Department, based on March 2009 benchmark and U.S. Department of Labor, Bureau of Labor Statistics, Orange County, Employment Development Department, based on March 2009 benchmark.

Median Household Income

The following table summarizes the median household income for the City and the County, from 2006 to 2008.

MEDIAN HOUSEHOLD INCOME City of Newport Beach

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Newport Beach	103,068	110,511	123,958
County of Orange	70,232	73,263	75,078

Source: U.S. Census Bureau Website as of July 16, 2010.

Major Employers

The principal employers in the City as presented in the City's June 30, 2009 Comprehensive Annual Financial Report, are as follows:

PRINCIPAL EMPLOYERS ⁽¹⁾ City of Newport Beach

<u>Name</u>	<u>Type of Business or Entity</u>	<u>Number Employed</u>
Hoag Memorial Hospital	Hospital and health care	4,116
Pacific Life Insurance	Life insurance, investment	1,096
Glidewell Dental	Dental	902
City of Newport Beach	City government	832
Pacific Investment Management Co.	Investment company	762
Resort at Pelican Hill	Hotel, resort	735
Jazz Semiconductor	Semiconductor networking solutions	586
The Island Hotel ⁽²⁾	Hotel, resort	424
Fletcher Jones Motor Cars Inc.	Automobile Sales	420
Newport Beach Marriott & Tennis Club	Hotel, resort	363

⁽¹⁾ Figures reflect number of employees of each employer at the time the information was collected for the City's Comprehensive Annual Financial Report, and do not reflect current number of employees for each employer.

⁽²⁾ The Island Hotel was formerly the Four Seasons Hotel.

Source: City of Newport Beach June 30, 2009 Comprehensive Annual Financial Report.

The largest major employers within the County reported as of December 31, 2009:

MAJOR EMPLOYERS⁽¹⁾
County of Orange

<u>Name</u>	<u>Type of Business or Entity</u>	<u>Number Employed</u>
Walt Disney Co.	Entertainment	19,800
University of California, Irvine	Higher education and health care	19,279
St. Joseph Health System	Health care	10,929
Boeing Co.	Aerospace and communications	8,477
Yum! Brands Inc.	Fast food restaurants	7,000
Target Corp.	Retail	6,226
Supervalu Inc.	Grocery retailer	5,923
Kaiser Permanente	Health care	5,598
Memorial Health Services Inc.	Health care	5,533
Bank of America Corp.	Banking	5,450
Home Depot Inc.	Retail	5,000
California State University, Fullerton	Higher education	4,952
The Kroger Co.	Grocery retailer	4,500
Wells Fargo & Co.	Banking	4,455
AT&T Inc.	Telephone service	4,300
Hoag Memorial Hospital Presbyterian	Hospital and health care	4,241
Wal-Mart Stores Inc.	Retail	4,000
Cedar Fair LP	Entertainment	3,900
United Health Group Inc.	Health care	3,800
Tenet Healthcare Corp.	Health care	3,795
Costco Wholesale	Discount retailer	3,663
CVS Caremark Corp.	Pharmacy	3,650
Edison International	Utilities and investments	3,500
Automobile Club of Southern California	Information systems, insurance and automotive assistance	3,300
Stater Bros, Holdings Inc.	Grocery retailer	3,115

⁽¹⁾ Includes corporations, hospitals and universities. Excludes government entities and school and community college districts. Franchise operations are considered separately from their corporate chains.

Source: Orange County Business Journal – 2010 Book of Lists.

Construction Activity

The following table shows building permit valuations and new housing units in Newport Beach for years 2005 through 2009.

City of Newport Beach Building Permit Valuation and New Housing Units (Dollar Amounts Are Stated Fully)					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Residential					
Single-Family	\$ 75,381,227	\$ 82,967,310	\$ 68,054,930	\$ 81,504,056	\$44,246,031
Multi-Family	7,658,741	7,450,000	11,283,560	9,791,756	3,287,177
Alteration/Additions	<u>53,783,612</u>	<u>56,805,626</u>	<u>58,058,723</u>	<u>49,507,192</u>	<u>38,080,919</u>
Total	\$136, 823,580	\$147,222,936	\$137,397,213	\$140,803,004	\$85,614,127
Non-Residential					
New Commercial	\$ 18,235,000	\$ 36,300,000	\$ 57,666,475	\$ 17,000,000	\$22,177,120
New Industry	0	0	2,000,000	0	0
Other ⁽¹⁾	34,025,725	37,093,731	29,236,976	32,513,364	9,866,091
Alteration/Additions	<u>54,026,316</u>	<u>53,803,425</u>	<u>40,431,975</u>	<u>62,653,046</u>	<u>40,201,278</u>
Total	\$106,287,041	\$127,197,156	\$129,335,426	\$112,166,410	\$72,244,489
Total All Industry ⁽²⁾	\$243,110,621	\$274,420,092	\$266,732,639	\$252,969,414	\$157,858,616
New Housing Units					
Single-Family Units	141	126	107	90	66
Multi-Family Units	<u>34</u>	<u>34</u>	<u>40</u>	<u>38</u>	<u>6</u>
Total	175	160	147	128	72

⁽¹⁾ Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.

⁽²⁾ May not add up due to rounding.

Source: Construction Industry Research Board.

Taxable Sales

Taxable sales in the City are shown below. Taxable sales in the City increased by 13.2% between 2004 and 2008. Beginning in 2009, the State Board of Equalization's reports summarize taxable sales and permits using the North American Industry Classification System. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years so the information is presented in two tables below.

TAXABLE SALES City of Newport Beach 2004-2008 (In Thousands)

	Taxable Sales				
	2004	2005	2006	2007	2008
Apparel	\$138,308	\$159,346	\$168,773	\$172,604	\$154,951
General Merchandise	237,968	256,604	259,294	247,316	215,698
Food Stores	76,493	82,662	86,262	88,522	88,880
Eating and Drinking Places	344,205	381,592	392,918	403,373	390,435
Home Furnishings & Appliances	81,027	99,458	96,501	94,043	61,173
Building Materials	25,548	29,130	30,566	29,774	26,934
Automotive	382,748	430,653	538,993	647,238	517,940
Service Stations	74,715	89,411	105,462	116,143	128,087
Other Retail Stores	<u>288,372</u>	<u>327,910</u>	<u>334,155</u>	<u>217,538</u>	<u>198,233</u>
Total Retail Stores	\$1,649,348	\$1,856,766	\$2,012,924	\$2,016,551	\$1,782,332
All Other Outlets	<u>475,161</u>	<u>501,875</u>	<u>559,897</u>	<u>631,800</u>	<u>622,532</u>
Total All Outlets	\$2,124,545	\$2,358,641	\$2,572,821	\$2,648,351	\$2,404,864

Source: California Board of Equalization.

TAXABLE SALES City of Newport Beach 2009 (In Thousands)

	Taxable Sales 2009*
Motor Vehicle and Parts Dealers	\$224,622
Home Furnishings and Appliance Stores	20,596
Building Material and Garden Equipment and Supplies	20,893
Food and Beverage Stores	44,059
Gasoline Stations	43,031
Clothing and Clothing Accessories Stores	72,913
General Merchandise Stores	72,115
Food Services and Drinking Places	175,371
Other Retail Group	<u>73,064</u>
Total Retail and Food Services	\$746,663
All Other Outlets	<u>267,646</u>
Total All Outlets	\$1,014,308

* Through 2nd Quarter of 2009.

Source: California Board of Equalization.

Assessed Valuation

Below is a table which indicates the secured, unsecured and total assessed valuations for the City for the Fiscal Years 2005-06 through 2010-11:

Fiscal Year	Secured Valuation	State Assessed	Unsecured Valuation	Total Assessed Value
2005-06	\$28,136,554,256	53,310	\$1,914,106,993	\$30,050,714,559
2006-07	31,423,419,732	53,310	1,569,867,249	32,993,340,291
2007-08	34,188,515,273	53,310	1,668,015,342	35,856,583,925
2008-09	36,435,406,840	699,230	1,538,539,482	37,974,645,552
2009-10	37,077,896,580	699,230	1,564,808,312	38,643,404,122
2010-11	37,079,537,365	*	1,705,598,498	38,785,135,863

Source: County of Orange Auditor-Controller's Office.

*State Assessed values for Fiscal Year 2010-11 are not yet available.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture not otherwise summarized in the text of this Official Statement. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Indenture. Purchasers of the Bonds are referred to the complete text of the Indenture, copies of which are available upon written request from the Paying Agent. Capitalized terms not otherwise defined in this Appendix C have the meanings ascribed to such terms in the body of the Official Statement.

TRANSFER OF REGISTERED BONDS. Any Bond may, in accordance with its terms, be transferred upon the books of registration required to be kept by the Paying Agent pursuant to the provisions of the Indenture by the owner in whose name it is registered, or by his or her duly authorized attorney or legal representative, upon surrender of such Bond for registration of such transfer, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent and duly executed by the Owner of said Bonds.

The Paying Agent may require the payment by the Bond Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer and such charges as provided for in the system of registration for registered debt obligations.

The Paying Agent may refuse to transfer or exchange either (i) any Bond during the period established by the Paying Agent for the selection of Bonds for prepayment, or (ii) any Bond which the Paying Agent has selected for prepayment in whole or in part under the provisions of the Indenture.

Upon any registration of transfer, a new Bond or Bonds will be authenticated and delivered by the Paying Agent in exchange for such Bond, in the name of the transferee, in any denomination or denominations authorized by the Indenture and in an aggregate principal amount equal to the principal amount of such Bond or principal amount of such Bond or Bonds so surrendered.

EXCHANGE OF BONDS. Bonds may be exchanged at the principal corporate trust office of the Paying Agent for a like aggregate principal amount of Bonds of the same series, interest rate and maturity, subject to the payment of any tax or governmental charges, if any, upon surrender and cancellation of the Bond. Upon such transfer and exchange, a new registered Bond or Bonds of any authorized denomination or denominations of the same series and maturity for the same aggregate principal amount will be issued to the transferee in exchange therefore.

The Paying Agent is not required to register the exchange of any Bonds during the fifteen (15) days preceding the selection of any Bonds for redemption prior to the maturity thereof, or with respect to any Bond which has been selected for redemption prior to the maturity thereof.

MUTILATED, DESTROYED, STOLEN OR LOST BONDS. In case any Bond becomes mutilated or is destroyed, stolen or lost, the City will cause a new Bond of like date and tenor and principal or maturity amount to be executed and authenticated in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond mutilated, destroyed, stolen or lost, upon the Bond Owner's paying reasonable expenses and charges in connection therewith, and, in the case of a Bond destroyed, stolen or lost, the filing by the Bond Owner with the Paying Agent and City of evidence satisfactory to them that such Bond was destroyed, stolen or lost, and of ownership thereof, and furnishing the Paying Agent and City with indemnity satisfactory to them.

OWNERSHIP OF BONDS. The person in whose name any Bond is registered will be deemed and regarded by the Paying Agent and the City as the absolute Owner thereof for all purposes and will not be affected by any notice to the contrary, and payment of or on account of the principal and redemption premium, if any, of any such Bond, and the interest on any such Bond, will be made only to or upon the order of the registered owner thereof or the owner's legal representative shown on the books of registration. All such payments will be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

UNCLAIMED FUNDS. Notwithstanding any provisions of the Indenture, subject to applicable state escheat laws, any monies held by the Paying Agent in trust for the payment of the principal of, or premium, if any, or interest on, any Bonds and remaining unclaimed for one (1) year after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in the Indenture), if such monies were held at such date, or one (1) year after the date of deposit of such monies if deposited after said date when all of the Bonds became due and payable, shall be repaid to the City free from the lien created by the Indenture, and all liability of the Paying Agent with respect to such monies will thereupon cease and the Bond Owners will, upon such payment, look only to the City for payment; *provided, however,* that before the repayment of such monies to the City as aforesaid, the Paying Agent will (at the written request and cost of the City) first publish at least once in a nationally recognized financial publication published in New York, New York, a notice, in such form as may be deemed appropriate by the Paying Agent, with respect to the provisions relating to the repayment to the City of the monies held for the payment thereof.

FUNDS AND ACCOUNTS. The Paying Agent and the City, as applicable, are authorized and directed to establish the following funds for purposes of collecting Assessment Installments, making payment for the designated costs and expenses and payment of principal and interest on the Bonds pursuant to the Indenture.

Redemption Fund: The Paying Agent is authorized and directed to establish and maintain a Redemption Fund (as defined in the Indenture) designated by the name of the District and to deposit therein from time to time (i) the amount of the proceeds of the Bonds which represents accrued and capitalized interest, if any, on the Bonds, (ii) all sums received from the City representing the collection of the assessments (other than assessments for administrative costs) and the interest thereon, and (iii) any surplus in the Improvement Fund (as defined in the Indenture) to the extent as provided in the Indenture.

Except for money received with respect to assessment surcharges for administrative costs, the City will transfer or cause to be transferred to the Paying Agent all sums received and not previously transferred from the collection of the assessments and any interest thereon and all sums received for the partial or full prepayment of assessments as required by Streets & Highways Code Section 8767.

Principal of and interest on the Bonds shall be paid by the Paying Agent to the registered owners out of the Redemption Fund to the extent funds on deposit in said Redemption Fund are available therefore. Under no circumstances shall the Bonds or interest thereon be paid out of any other fund except as provided in the Indenture.

The Paying Agent will establish a prepayment subaccount within the Redemption Fund to be known as the Prepayment Account ("Prepayment Account"). The Paying Agent is not required to establish the Prepayment Account until the time when deposits are required to be made therein. The City will transfer to the Paying Agent for deposit in the Prepayment Account all monies received by the City representing the prepayment of the principal of, and interest and redemption premium on, any Bonds. Such monies will be applied solely to the payment of the principal of, and interest and premium on, Bonds to be redeemed prior to maturity pursuant to the provisions of the Indenture.

Reserve Fund: The City will establish and maintain a special reserve fund for the Bonds (the “Reserve Fund”). The Reserve Fund shall be initially funded from a portion of the Bond proceeds in an amount equal to 6% of the original principal amount of the Bonds. The City will also deposit in the Reserve Fund funds which represent the proceeds of (i) payments made to redeem delinquent Assessment Installments or (ii) the judicial foreclosure sale of parcels pursuant to the Indenture, in each case if and to the extent that any advance was made from the Reserve Fund to the Redemption Fund as a result of such delinquencies.

Monies in the Reserve Fund will be applied as follows:

1. Amounts in the Reserve Fund will be transferred to the Paying Agent for deposit in the Redemption Fund if there are insufficient monies in the Redemption Fund to pay principal of and interest on the Bonds when due. Amounts so transferred will be repaid to the Reserve Fund from proceeds from the redemption or foreclosure of property with respect to which an assessment is unpaid and from payments of the delinquent assessments.

2. Interest earned on the permitted investment of monies on deposit in the Reserve Fund will remain in the Reserve Fund to the extent required to maintain the Reserve Fund at the Reserve Requirement. Not later than August 30 of each fiscal year, the amount on deposit in the Reserve Fund in excess of the Reserve Requirement shall be transferred from the Reserve Fund to the Redemption Fund and credited to the unpaid Assessment Installments payable during such fiscal year.

Notwithstanding anything in the Indenture, interest earnings on monies on deposit in the Reserve Fund in excess of the “yield” on the Bonds, as that term is defined in the Internal Revenue Code of 1986 (the “Code”), are subject to transfer and rebate to the United States Treasury.

3. Whenever monies in the Reserve Fund, together with available funds in the Redemption Fund, are sufficient to fully and timely pay and redeem all outstanding Bonds, plus accrued interest thereon, the money will be transferred to the Redemption Fund and collection of a corresponding amount of the remaining unpaid assessments shall cease.

4. In the event an assessment is prepaid in cash, the City will credit the prepaid assessment with a proportionate share of the Reserve Fund and transfer an amount equal to such credit to the Redemption Fund to be utilized for the advance retirement of Bonds.

Improvement Fund: The monies in the Improvement Fund (as defined in the Indenture), including the prescribed portion of proceeds of sale of the Bonds and the proceeds of assessment prepayments received by the City prior to issuance and sale of the Bonds, will only be used for the payment of Project Costs as that term is defined in the Indenture. “Project Costs” means the costs of the conversion of certain overhead electrical and communication facilities to underground locations, together with appurtenances and appurtenant work in connection therewith (the “Improvements”) as authorized in the assessment proceedings and all incidental costs related thereto, including the costs of issuing the Bonds, all as more particularly described in the Assessment Engineer’s Report.

Interest earned on the investment of the monies held in the Improvement Fund will be deemed at all times to be part of the Improvement Fund.

Upon completion of the acquisition and construction of the Improvements, the Superintendent of Streets of the City will file a certificate of completion (the “Certificate of Completion”) with the Administrative Services Director. Any funds remaining in the Improvement Fund following receipt by the Administrative Services Director of the Certificate of Completion shall constitute surplus, and in

accordance with the Resolution of Intention (as defined in the Indenture), shall be determined by the City Council for any one or more of the purposes set forth in said Resolution of Intention.

Rebate Fund: The City will establish and maintain a Rebate Fund (as defined in the Indenture). Amounts, if any, on deposit in the Rebate Fund will be paid to the United States of America.

INVESTMENTS. Obligations purchased as investments of monies in any of the funds in which investments are authorized will be deemed at all times to be part of such funds. Subject to the restrictions set forth in the Indenture, monies in the Redemption Fund may from time to time be invested by the Paying Agent, at the written direction of the Administrative Services Director of the City, which written direction shall contain a certification to the Paying Agent that such investments are Authorized Investments (as defined below). In the absence of written direction from the City, the Paying Agent shall invest the monies deposited in the Redemption Fund and any account of such fund in investments described in paragraph (vi) below. Such monies will only be invested in obligations that will by their terms mature on such dates so as to ensure the payment of principal of and interest on the Bonds as the same become due; provided, investments of money in the Reserve Fund shall mature not later than five years from the date of purchase except such money may be invested in a repurchase agreement or an investment agreement without such five-year limitation so long as the repurchase agreement or investment agreement provides for withdrawals at par on or before any Interest Payment Date.

The City and, if applicable, the Paying Agent shall sell at the best price reasonably obtainable or present for redemption any obligations so purchased whenever it may be necessary to do so in order to provide monies to meet any payment or transfer for such funds or from such funds. For the purpose of determining at any given time the balance in any such funds, any such investments constituting a part of such funds will be valued at their market value. Notwithstanding anything in the Indenture to the contrary, the Paying Agent is not responsible for any loss of monies invested pursuant to the Indenture, except for its own negligence or willful misconduct. The Paying Agent may act as principal or agent in the acquisition or disposition of investments. The Paying Agent and the City may commingle the funds established under such Indenture for investment purposes but shall nonetheless account for each separately.

The Paying Agent is authorized, in making or disposing of any investment permitted by the Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Paying Agent or for any third person or dealing as principal for its own account.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waived receipt of such confirmations to the extent permitted by law. Notwithstanding the preceding sentence, the Paying Agent will deliver confirmations to the City upon the written request of the City with respect to any specific transaction identified in the request. The Paying Agent will furnish the City periodic cash transaction statements that include details for all investment transactions made by the Paying Agent.

“Authorized Investments” is defined to mean the following types of investments:

- (i) (a) direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America;

- (ii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered savings and loan associations or banks (including the Paying Agent and its affiliates), *provided* that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the two highest rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the two highest rating categories by a nationally recognized rating service;
- (iii) repurchase agreements collateralized by obligations described in (i) above with a registered broker/dealer subject to Securities Investors Protection Corporation liquidation in the event of insolvency, or any commercial bank *provided* that: (a) the unsecured obligations of such bank shall be rated in one of the two highest rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a bank holding company whose unsecured obligations are rated in one of the two highest rating categories by a nationally recognized rating service; (b) the most recently reported combined capital, surplus and undivided profits of such bank shall be not less than \$100,000,000; and (c) the entity holding such repurchase agreement shall have a perfected first security interest in the collateral securities for the benefit of the City under the California Commercial Code or pursuant to the book-entry procedures prescribed at 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.*;
- (iv) bankers acceptances endorsed and guaranteed by banks described in clause (iii) above;
- (v) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in one of the two highest rating categories by a nationally recognized rating service;
- (vi) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of "AAAm-G," "AAA-m" or "AA-m" and, if rated by Moody's, rated "Aaa," "Aa1" or "Aa2;"
- (vii) units of a taxable government money market portfolio (including portfolios of the Paying Agent and its affiliates) comprised solely of obligations listed in clauses (i) or clause (ii) above;
- (viii) commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating by Moody's or Standard & Poor's of issuing corporations that are organized and operating within the United States of America and have total assets in excess of \$500,000,000 and have an "Aa," "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided by Moody's or Standard & Poor's, respectively, and *provided* that purchases of eligible commercial paper may not exceed one hundred eighty (180) days' maturity nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation;
- (ix) any general obligation of a bank or insurance company whose long-term debt obligations are rated in one of the two highest rating categories of a nationally recognized rating service;

- (x) the Local Agency Investment Fund in the State Treasury of the State of California as permitted by the State Treasurer pursuant to Section 16429.1 of the California Government Code; and
- (xi) any other investment which, in the City's sole discretion, is consistent with or of like security to authorized investments specifically itemized herein and at the time of investment is a legal investment under the laws of the State of California for the monies proposed to be invested therein. The Paying Agent shall be entitled to rely upon any written investment direction from the City as a certification to the Paying Agent that such investment constitutes an Authorized Investment.

PROVISIONS OF INDENTURE CONSTITUTE A CONTRACT. The provisions of the Indenture and the Bonds constitute a contract between the City and the Bond Owners and the provisions thereof are enforceable by any Bond Owner for the equal benefit and protection of all Bond Owners similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State of California in any court of competent jurisdiction. Such contract is made under and is to be construed in accordance with the laws of the State of California.

After the issuance and delivery of the Bonds, the Indenture is not subject to rescission, but may be subject to modification to the extent and in the manner provided in the Indenture but to no greater extent and in no other manner.

MODIFICATION OR AMENDMENT TO THE INDENTURE.

- A. The Indenture and the rights and obligations of the City, of the Bond Owners and of the Paying Agent may be modified or amended at any time by a supplemental indenture pursuant to the affirmative vote at a meeting of the Owners, or with the written consent without a meeting, of the owners of at least a majority in aggregate principal amount of the Bonds then outstanding. No such modification or amendment may (i) extend the maturity of any Bond or the time for paying interest thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation of any pledge of or lien upon the assessments superior to or on a parity with the pledge and lien created for the benefit of the Bonds, (iii) reduce the percentage of Bonds required for the amendment of the Indenture, or (iv) reduce the principal amount of or redemption premium on any Bond or reduce the interest rate thereon. Notwithstanding the above, any such amendment may not modify any of the rights or obligations of the Paying Agent without its written consent. The Paying Agent may obtain an opinion of counsel that any such supplemental indenture entered into by the City and the Paying Agent complies with the provisions of the Indenture and the Paying Agent may conclusively rely on such opinion.
- B. The Indenture and the rights and obligations of the City and the Bond Owners may also be modified or amended at any time by a supplemental indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:
 - (1) to add to the covenants and agreements of the City contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power therein reserved to or conferred upon the City;
 - (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions of the Indenture, or in regard to questions

arising under the Indenture, as the City and the Paying Agent may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the rights of the Bond Owners; or

- (3) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess earnings to the United States of America or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the federal tax regulations.

DEFEASANCE. If the City pays or causes to be paid, or there is otherwise paid, to the Owner of an outstanding Bond the interest due thereon and the principal thereof at the times and in the manner stipulated in the Indenture, other than as set forth below, all covenants, agreements and other obligations of the City to the Owner of such Bond under the Indenture will thereupon cease, terminate and become void and discharged and satisfied.

Any outstanding Bond will be deemed to have been paid within the meaning expressed in the preceding paragraph if such Bond is paid in any one or more of the following ways:

- (1) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same becomes due and payable;
- (2) by depositing with the Paying Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds established pursuant to the Indenture (exclusive of the Rebate Fund) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same becomes due and payable; or
- (3) by depositing with an escrow bank appointed by the City, in trust, noncallable United States Treasury Obligations, in such amount as a certified public accountant has determined (as set forth in a verification report from such accountant) will be sufficient, together with the interest to accrue thereon and monies then on deposit in the funds established under the Indenture (exclusive of the Rebate Fund) and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond, as and when the same becomes due and payable;

then, at the election of the City, and notwithstanding that any outstanding Bonds have not been surrendered for payment, all obligations of the City under the Indenture with respect to such Bond will cease and terminate, except for the obligation of the Paying Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon and except for the covenants of the City to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Notice of such election will be filed with the Paying Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Paying Agent. In connection with a defeasance under (2) or (3) above, a certificate of a certified public accountant will be provided to the Paying Agent stating its opinion as to the sufficiency of the monies or securities deposited with the Paying Agent or the escrow bank, together with the interest to accrue thereon and monies then on deposit in the funds established under the Indenture (exclusive of the Rebate Fund) and available for such purpose, together with the interest to accrue thereon to pay and discharge the principal of, premium, if any, and interest on all such Bonds to be defeased in accordance with the Indenture as and when the same becomes due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with the Indenture.

PAYING AGENT. The City appoints U.S. Bank National Association, as Paying Agent for the Bonds. The Paying Agent is authorized to and will mail or wire transfer interest payments to the Bond owners, select Bonds for redemption, give notice of redemption of Bonds, maintain the bond register and maintain and administer the Redemption Fund. The Paying Agent is authorized to pay the principal of and premium, if any, on the Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds and to provide for the authentication of Bonds. The Paying Agent will keep accurate records of all funds administered by it and all Bonds paid and discharged by it. The Paying Agent initially appointed, and any successor thereto, may be removed by the City and a successor or successors may be appointed. So long as any Bonds are outstanding and unpaid, the Paying Agent and any successor or successors thereto designated by the City will continue to be Paying Agent of the City for all of said purposes until the designation of a successor or successors as Paying Agent.

The Paying Agent may rely and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

Whenever the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate will be full warrant to the Paying Agent for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion, the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence of such matter or may require such additional evidence as it may deem reasonable.

The City shall pay to the Paying Agent from time to time reasonable compensation for all services rendered as Paying Agent under the Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under the Indenture, and the Paying Agent shall have a lien therefore on any funds at any time held by it under the Indenture. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Paying Agent, its officers, employees and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Indenture which are not due to its negligence or willful misconduct.

A Paying Agent appointed under the Indenture may resign at any time upon written notice to the City and after appointment of a successor, provided the successor is either the Administrative Services Director of the City or is a bank or trust company having (or, if such bank or trust company is a member of a bank holding company, its bank holding company has) combined capital (excluding borrowed capital) and surplus of at least \$50,000,000 and is subject to State or federal supervision. Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company is eligible, will succeed to the rights and obligations of such Paying Agent without the execution or filing of any paper or further act. If a successor to the Paying Agent is not appointed by the City within sixty (60) calendar days after notice of resignation by the Paying Agent, the Paying Agent may petition a court of competent jurisdiction to appoint a successor.

LIABILITY OF PAYING AGENT. The recitals of fact and all promises, covenants and agreements contained in the Indenture and in the Bonds are statements, promises, covenants and agreements of the City, and the Paying Agent assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of the Indenture or of the Bonds and will incur no responsibility in respect thereof other than in connection with its duties or obligations in the Indenture, or in the Bonds or in the certificate of authorization assigned to or imposed upon the Paying Agent. No implied duties or obligations may be read into the Indenture against the Paying Agent. The Paying Agent is under no responsibility or duty with respect to the issuance of the Bonds for value. The Paying Agent is not liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct. The Paying Agent is protected in acting on any notice, resolution, request, consent, certificate or other document believed by it to be genuine and to have been signed or presented by the proper party.

The Paying Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Paying Agent will not be liable for any error of judgment made in good faith by a responsible officer of the Paying Agent unless it is proved that the Paying Agent was negligent in ascertaining the pertinent facts. No provision of the Indenture requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties thereunder or in the exercise of any of its rights or powers. All indemnification and releases from liability granted to the Paying Agent extend to the officers and employees of the Paying Agent.

The Paying Agent is not be chargeable with taking any actions under the Indenture in accordance with the Act but is charged with taking action in accordance with the Indenture and any other written direction furnished by the City.

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APPENDIX D

FORM OF LEGAL OPINION

Upon delivery of the Bonds, Meyers, Nave, Riback, Silver & Wilson, a Professional Law Corporation, Oakland, California, Bond Counsel to the City of Newport Beach, proposes to render its final approving opinion with respect to the Bonds in substantially the following form (see "CONCLUDING INFORMATION – Tax Matters" in the Official Statement):

August 17, 2010

City Council
City of Newport Beach
3300 Newport Boulevard
Newport Beach, CA 92663

City of Newport Beach
Assessment District No. 100
(13th St/Balboa Blvd/Adams St/Ocean Front)
Limited Obligation Improvement Bonds
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the City of Newport Beach (the "Issuer") in connection with the issuance by the Issuer of \$2,670,000 aggregate principal amount of the City of Newport Beach Assessment District No. 100 (13th St/Balboa Blvd/Adams St/Ocean Front) Limited Obligation Improvement Bonds (the "Bonds") pursuant to the provisions of the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915 and the Bond Indenture, dated as of August 1, 2010 (the "Indenture"), between the Issuer and U.S. Bank National Association, as Paying Agent, approved by Resolution No. 2010-94, passed and adopted by the City Council on July 27, 2010 (the "Resolution"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

In such connection, we have reviewed the Resolution, the Indenture, the Tax Certificate of the Issuer, dated the date hereof (the "Tax Certificate"), an opinion of the City Attorney as general legal counsel to the Issuer, certifications of the Issuer and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Certain agreements, requirements and procedures contained or referred to in the Resolution, the Indenture, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we

disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinion, referred to in the second paragraph hereof.

Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Indenture and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against cities in the State of California.

We express no opinion on the plans, specifications, maps and other engineering details of the proceedings, or upon the validity of the individual separate assessments securing the Bonds which validity depends, in addition to the legal steps required, upon the accuracy of certain of the engineering details. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding special assessment obligations of the Issuer, payable solely from and secured by the unpaid assessments and certain funds held under the Indenture.

2. The Resolution and the Indenture have been duly adopted and constitute valid and binding obligations of the Issuer.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,
MEYERS, NAVE, RIBACK, SILVER & WILSON

APPENDIX E

INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be

requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

APPENDIX F

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of August 1, 2010, is executed and delivered by the City of Newport Beach (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP[®] numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP[®] numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Administrative Services Director of the Issuer, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“EMMA System” means the Electronic Municipal Market Access system of the MSRB or such other electronic system designated by the MSRB or the SEC for compliance with SEC Rule 15c2-12(b).

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event notices and the Voluntary Reports.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means an event listed in Section 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

“Paying Agent” means the institution identified as such in the document under which the Bonds were issued.

“SEC” means Securities and Exchange Commission.

“Underwriter” shall mean any underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Paying Agent and the Underwriter, not later than 30 days prior to the Annual Filing Date. Upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB through the EMMA System in an electronic format and accompanied by identifying information as prescribed by the MSRB, not later March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2010. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Promptly upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification (no later than two (2) business days prior to the Annual Filing Date), or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual

Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Paying Agent for filing with the MSRB through the EMMA System.

(e) The Disclosure Dissemination Agent shall:

(i) determine the electronic filing requirements of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) with the MSRB through the EMMA System;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB through the EMMA System;

(iv) upon receipt, promptly file the text of each disclosure to be made with the MSRB through the EMMA System, together with information regarding the event as required by the MSRB as described below when filing pursuant to the Section of this Disclosure Agreement indicated:

1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a)(1);
2. “Non-payment related defaults,” pursuant to Sections 4(c) and 4(a)(2);
3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(3);
4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(4);
5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a)(5);
6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a)(6);
7. “Modifications to rights of security holders,” pursuant to Sections 4(c) and 4(a)(7);
8. “Bond calls,” pursuant to Sections 4(c) and 4(a)(8);
9. “Defeasances,” pursuant to Sections 4(c) and 4(a)(9);
10. “Release, substitution or sale of property securing repayment of the securities,” pursuant to Sections 4(c) and 4(a)(10);
11. “Ratings changes,” pursuant to Sections 4(c) and 4(a)(11); or

12. “Other material event notice (specify),” pursuant to Section 7 of this Disclosure Agreement, together with the summary description provided by the Disclosure Representative (e.g., “Failure to provide annual financial information as required,” pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement); and

(v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Paying Agent (if any) and the MSRB through the EMMA System, *provided* that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including (1) the audited financial statements of the City; (2) the principal amount of Bonds outstanding; (3) the status of the public improvements which have been financed by the City with proceeds of the Bonds; (4) a table setting forth the percentage of delinquent Assessment Installments as of June 30 of each fiscal year and a description of the status of any foreclosure actions being pursued by the City with respect to delinquent Assessment Installments; (5) the Reserve Fund balance; (6) an update of the table entitled “Top Ten Property Owners” in the Official Statement; and (7) the total assessed value of property within the District.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP, will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the MSRB through the EMMA System or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities;
11. Rating changes; or
12. Other material event notice (e.g., failure to provide annual financial information as required).

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will, within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB through the EMMA System in accordance with Section 2 (e)(iv) hereof.

SECTION 5. CUSIP® Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP® numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer

acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the MSRB through the EMMA System from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days’ written notice to the Disclosure Dissemination Agent and the Paying Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders’ rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the party’s obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosure or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to

review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days' written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Paying Agent of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of California (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

CITY OF NEWPORT BEACH,
as Issuer

By: _____
City Manager

ATTEST:

By: _____
Leilani Brown, City Clerk

APPROVED AS TO FORM:

By: _____
Name:
Title:

EXHIBIT A

NAME AND CUSIP® NUMBERS OF BONDS

Name of Issuer: City of Newport Beach

Name of Bond Issue: \$2,670,000 City of Newport Beach
Assessment District No. 100
(13th St/Balboa Blvd/Adams St/Ocean Front)
Limited Obligation Improvement Bonds

Date of Issuance: August 17, 2010

Date of Official Statement: August 3, 2010

<u>Maturity (September 2)</u>	<u>CUSIP® No.</u>
2011	651784QA1
2012	651784QB9
2013	651784QC7
2014	651784QD5
2015	651784QE3
2016	651784QF0
2017	651784QG8
2018	651784QH6
2019	651784QJ2
2020	651784QK9
2021	651784QL7
2022	651784QM5
2023	651784QN3
2024	651784QP8
2025	651784QQ6

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: City of Newport Beach

Name of Bond Issue: \$2,670,000 City of Newport Beach
Assessment District No. 100
(13th St/Balboa Blvd/Adams St/Ocean Front)
Limited Obligation Improvement Bonds

Date of Issuance: August 17, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bonds as required by the Disclosure Agreement, dated as of August 1, 2010, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated:

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: Issuer

APPENDIX G
FINAL ENGINEER'S REPORT

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Harris & AssociatesSM

SHAPING THE FUTURE ONE PROJECT AT A TIMESM

Final Engineer's Report

for

**Underground Utility
Assessment District No. 100
(13th Street / Balboa Boulevard / Adams Street / Ocean Front)**

**Prepared under the provisions of the
Municipal Improvement Act of 1913**

For the

City of Newport Beach
County of Orange, California

May 26, 2010

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AGENCY: CITY OF NEWPORT BEACH

PROJECT: ASSESSMENT DISTRICT NO. 100

TO: CITY COUNCIL

**ENGINEER'S "REPORT" PURSUANT TO THE
PROVISIONS OF SECTIONS 2961 AND 10204
OF THE STREETS AND HIGHWAYS CODE**

The purposes of this Assessment District is to provide financing to underground power, telephone and cable facilities in the area generally bounded by 13th Street / Balboa Boulevard / Adams Street / Ocean Front. The proposed underground utility improvements will provide conversion to an upgraded utility system and will enhance neighborhood aesthetics, safety and reliability.

The construction of these improvements will conform to existing City of Newport Beach, Southern California Edison, AT&T and Time Warner Cable standards. By virtue of such improvements, the proposed improvements are of special and direct benefit to these properties.

Pursuant to the provisions of Article XIID of the State Constitution, Part 7.5 of the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931", being Division 4 of the Streets and Highways Code of the State of California, and the "Municipal Improvement Act of 1913", being Division 12 of said Code, and the Resolution of Intention, adopted by the City Council of the CITY OF NEWPORT BEACH, State of California, in connection with the proceedings for Assessment District No. 100 (hereinafter referred to as the "Assessment District"), I, Joan E. Cox, P.E., a Registered Professional Engineer and authorized representative of Harris & Associates, the duly appointed Engineer of Work, herewith submits the "Report" for the Assessment District, consisting of six (6) parts as stated below.

PART I

This part contains the plans and specifications which describe the general nature, location and extent for the proposed improvements to be constructed, and are filed herewith and made a part hereof. Said plans and specifications are on file in the Office of the Superintendent of Streets.

PART II

This part contains an estimate of the cost of the proposed improvements, including capitalized interest, if any, incidental costs and expenses in connection therewith as set forth herein and attached hereto.

PART III

This part consists of the following information:

- A. A proposed assessment of the total amount of the costs and expenses of the proposed improvements upon the several subdivisions of land within the Assessment District, in proportion to the special benefits to be received by such subdivisions from said improvements, which is set forth upon the assessment roll filed herewith and made a part hereof.

- B. The total amount, as near as may be determined, of the total principal sum of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than that contemplated for the Assessment District, which would require an investigation and report under the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931" against the total area proposed to be assessed.
- C. The total true value, determined from the latest Assessor's roll, of the parcels of land and improvements which are proposed to be assessed.

PART IV

This part contains the proposed maximum annual administrative assessment to be levied upon each subdivision or parcel of land within the Assessment District to pay the costs incurred by the CITY OF NEWPORT BEACH, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration and registration of any associated bonds and reserve or other related funds, or both.

PART V

This part contains a map showing the boundaries of the Assessment District, and a diagram showing the Assessment District, the boundaries and the dimensions of the subdivisions of land within said Assessment District, as the same existed at the time of the passage of the Resolution of Intention. The Boundary Map and Assessment Diagram are filed herewith and made a part hereof, and part of the assessment.

PART VI

This part shall consist of the following information:

- A. Description of facilities
- B. Right-of-Way Certificate
- C. Environmental Certificate


This report is submitted on May 26, 2010.

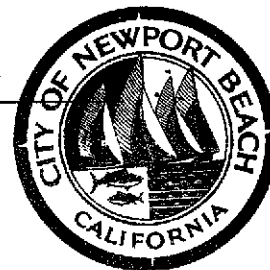
HARRIS & ASSOCIATES



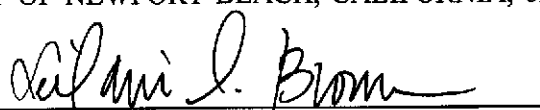
JOAN E. COX, P.E.
R.C.E. No. 41965
ENGINEER OF WORK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

Preliminary approval by the CITY COUNCIL of the CITY OF NEWPORT BEACH, CALIFORNIA, on the 13th day of APRIL, 2010.


CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA



Final approval by the CITY COUNCIL of the CITY OF NEWPORT BEACH, CALIFORNIA, on the 8th day of JUNE, 2010.


CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA



Part I Plans and Specifications

The plans and specifications to construct the utility undergrounding improvements, and any ancillary improvements thereof, for the area generally described as Assessment District No. 100, 13th Street / Balboa Boulevard / Adams Street / Ocean Front, describe the general nature, location and extent of the improvements for this Assessment District are referenced herein and incorporated as if attached and a part of this Report.

Said Plans and Specifications for the improvements are on file in the office of the Superintendent of Streets.

Part II Cost Estimate

		Estimated Costs	
		Preliminary	Confirmed
DESIGN & CONSTRUCTION COSTS*			
Electrical Costs (Southern California Edison)			
Electrical Construction Costs		\$2,032,695	\$2,032,695
Construction Contingency (~10%)		\$203,270	\$203,270
Edison Design Engineering		\$77,350	\$77,350
		<u>\$2,313,315</u>	<u>\$2,313,315</u>
Telephone Costs (AT&T)			
Telephone Construction Costs		\$592,256	\$592,256
Construction Contingency (~10%)		\$59,226	\$59,226
AT&T Design Engineering		\$50,425	\$50,425
		<u>\$701,907</u>	<u>\$701,907</u>
Street / Alley Rehabilitation			
Construction Contingency (~7.5%)		\$1,000,000	\$1,000,000
		<u>\$75,000</u>	<u>\$75,000</u>
		<u>\$1,075,000</u>	<u>\$1,075,000</u>
Estimated Utility Contribution for Equivalent Overhead System		<u>-\$423,932</u>	<u>-\$423,932</u>
Total Design & Construction Costs:		\$3,666,290	\$3,666,290
INCIDENTAL EXPENSES			
Assessment Engineering		\$105,000	\$105,000
Contract Inspection		\$75,000	\$75,000
City Administration		\$100,000	\$100,000
Financial Advisor		\$15,000	\$15,000
Bond Counsel		\$27,500	\$27,500
Disclosure Counsel		\$22,500	\$22,500
Paying Agent		\$3,000	\$3,000
Credit Rating Fee		\$7,000	\$7,000
Dissemination Agent		\$3,000	\$3,000
Financial Printing, Registration and Servicing		\$5,000	\$5,000
Incidental Contingencies		\$11,710	\$11,710
Total Incidental Expenses:		\$374,710	\$374,710
Total Construction and Incidental Expenses:		\$4,041,000	\$4,041,000
FINANCING COSTS			
Underwriter's Discount	1.00%	\$43,000	\$43,000
Bond Reserve / Credit Enhancement	6.00%	\$261,000	\$261,000
Funded Interest @ 0 months @ 5.75%		\$0	\$0
Total Financial Costs:		\$304,000	\$304,000
TOTAL AMOUNT TO ASSESSMENT:		\$4,345,000	\$4,345,000

* Time Warner Cable is required to pay for undergrounding through the Franchise Agreement with the City.

Part III Assessment Roll and Method of Assessment Spread

WHEREAS, on _____ the City Council of the CITY OF NEWPORT BEACH, State of California, did, pursuant to the provisions of the 1913 Act "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code, of the State of California, adopt its Resolution of Intention No. 2010-____, for the installation and construction of certain public improvements, together with appurtenances and appurtenant work in connection therewith, in a special assessment district known and designated as ASSESSMENT DISTRICT NO. 100 (hereinafter referred to as the "Assessment District"); and

WHEREAS, said Resolution of Intention, as required by law, did direct the Engineer of Work to make and file a "Report", consisting of the following as required by Section 10204 of the Act:

- a. Plans
- b. Specifications
- c. Cost Estimates
- d. Assessment Diagram showing the Assessment District and the subdivisions of land therein;
- e. A proposed assessment of the costs and expenses of the works of improvement levied upon the parcels within the boundaries of the Assessment District;
- f. The proposed maximum annual assessment to be levied upon each subdivision or parcel of land within the Assessment District to pay the costs incurred by the City and not otherwise reimbursed resulting from the administration and collection of assessments or from the administration and registration of any associated bonds and reserve or other related funds.

For particulars, reference is made to the Resolution of Intention as previously adopted.

NOW, THEREFORE, I, Joan E. Cox, the authorized representative of HARRIS & ASSOCIATES, pursuant to Article XIID of the California Constitution and the "Municipal Improvement Act of 1913", do hereby submit the following:

1. Pursuant to the provisions of law and the Resolution of Intention, I have assessed the costs and expenses of the works of improvement to be performed in the Assessment District upon the parcels of land in the Assessment District specially benefited thereby in direct proportion and relation to the special benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram, a copy of which is attached hereto and incorporated herein.
2. As required by law, a Diagram is hereto attached, showing the Assessment District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within said District as the same existed at the time of the passage of said Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon said Diagram and in said Assessment Roll.

3. The subdivisions and parcels of land the numbers therein as shown on the respective Assessment Diagram as attached hereto correspond with the numbers as appearing on the Assessment Roll as contained herein.
4. NOTICE IS HEREBY GIVEN that bonds will be issued in accordance with Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), to represent all unpaid assessments, which bonds shall be issued in one or more series, each with a term not to exceed the legal maximum term as authorized by law, THIRTY-NINE (39) YEARS from the 2nd day of September next succeeding twelve (12) months from their date. Said bonds shall bear interest at a rate not to exceed the current legal maximum rate of 12% per annum.

The bonds may be issued in more than one series, depending upon duration of the improvement work and related considerations.

5. By virtue of the authority contained in said "Municipal Improvement Act of 1913", and by further direction and order of the legislative body, I hereby recommend the following Assessment to cover the costs and expenses of the works of improvement for the Assessment District based on the costs and expenses as set forth below:

	As Preliminarily Approved	As Confirmed
Estimated Cost of Design and Construction:	\$3,666,290	\$3,666,290
Estimated Incidental Expenses:	\$374,710	\$374,710
Estimated Financial Costs:	\$304,000	\$304,000
Estimated Total to Assessment:	\$4,345,000	\$4,345,000

For particulars as to the individual assessments and their descriptions, reference is made to Table 1 (Assessment Roll) attached hereto.

6. The Method of Spread of Assessment is as set forth in the exhibit identified as Part III (Exhibit 1), which is attached hereto, referenced and so incorporated.

Table 1
Assessment Roll

Asmt No.	Assessor's Parcel Number	Total True Value	Existing Liens	Assessments as Preliminarily Approved	Assessments as Confirmed and Recorded	Value to Lien Ratio
1	047-240-01	\$4,790,415	\$0	\$232,103.73	\$232,103.73	21
2	939-71-011	\$1,003,000	\$0	\$8,860.83	\$8,860.83	113
3	939-71-012	\$496,054	\$0	\$8,860.83	\$8,860.83	56
4	047-241-02	\$75,535	\$0	\$17,721.68	\$17,721.68	4
5	047-241-03	\$2,512,500	\$0	\$17,721.68	\$17,721.68	142
6	047-241-04	\$439,652	\$0	\$17,721.68	\$17,721.68	25
7	047-241-05	\$631,673	\$0	\$17,721.68	\$17,721.68	36
8	939-71-021	\$1,003,178	\$0	\$8,860.83	\$8,860.83	113
9	939-71-022	\$653,894	\$0	\$8,860.83	\$8,860.83	74
10	047-241-07	\$287,353	\$0	\$17,721.68	\$17,721.68	16
11	047-241-08	\$97,553	\$0	\$17,721.68	\$17,721.68	6
12	047-241-09	\$290,888	\$0	\$17,721.68	\$17,721.68	16
13	047-241-10	\$107,119	\$0	\$17,721.68	\$17,721.68	6
14	047-241-11	\$107,052	\$0	\$17,721.68	\$17,721.68	6
15	047-241-12	\$513,328	\$0	\$17,721.68	\$17,721.68	29
16	939-71-017	\$608,006	\$0	\$8,860.83	\$8,860.83	69
17	939-71-018	\$898,627	\$0	\$8,860.83	\$8,860.83	101
18	047-241-24	\$158,559	\$0	\$20,490.68	\$20,490.68	8
19	047-241-23	\$140,956	\$0	\$20,490.68	\$20,490.68	7
20	047-241-21	\$152,091	\$0	\$20,490.68	\$20,490.68	7
21	047-241-20	\$1,516,362	\$0	\$20,490.68	\$20,490.68	74
22	047-241-19	\$127,740	\$0	\$20,490.68	\$20,490.68	6
23	047-241-18	\$5,972,584	\$0	\$20,490.68	\$20,490.68	291
24	047-241-17	\$2,620,101	\$0	\$20,490.68	\$20,490.68	128
25	047-241-16	\$118,388	\$0	\$20,490.68	\$20,490.68	6
26	047-241-15	\$178,906	\$0	\$20,490.68	\$20,490.68	9
27	047-241-14	\$245,386	\$0	\$41,535.18	\$41,535.18	6
28	047-251-01	\$994,478	\$0	\$17,721.68	\$17,721.68	56
29	047-251-02	\$892,223	\$0	\$17,721.68	\$17,721.68	50
30	047-251-03	\$83,201	\$0	\$17,721.68	\$17,721.68	5
31	047-251-04	\$82,847	\$0	\$17,721.68	\$17,721.68	5
32	047-251-05	\$738,628	\$0	\$17,721.68	\$17,721.68	42
33	047-251-06	\$648,058	\$0	\$17,721.68	\$17,721.68	37
34	939-71-013	\$605,714	\$0	\$8,860.83	\$8,860.83	68
35	939-71-014	\$739,933	\$0	\$8,860.83	\$8,860.83	84
36	047-251-08	\$2,922,566	\$0	\$34,889.54	\$34,889.54	84
37	047-251-09	\$411,024	\$0	\$17,721.68	\$17,721.68	23
38	047-251-10	\$468,050	\$0	\$17,721.68	\$17,721.68	26
39	047-251-11	\$380,995	\$0	\$17,721.68	\$17,721.68	21
40	047-251-12	\$100,015	\$0	\$17,721.68	\$17,721.68	6
41	047-251-23	\$311,560	\$0	\$20,490.68	\$20,490.68	15
42	047-251-22	\$116,273	\$0	\$20,490.68	\$20,490.68	6
43	047-251-21	\$1,026,148	\$0	\$20,490.68	\$20,490.68	50
44	047-251-20	\$6,150,000	\$0	\$20,490.68	\$20,490.68	300
45	047-251-19	\$1,648,739	\$0	\$20,490.68	\$20,490.68	80

Asmt No.	Assessor's Parcel Number	Total True Value	Existing Liens	Assessments as Preliminarily Approved	Assessments as Confirmed and Recorded	Value to Lien Ratio
46	047-251-18	\$2,773,858	\$0	\$20,490.68	\$20,490.68	135
47	047-251-17	\$5,303,915	\$0	\$20,490.68	\$20,490.68	259
48	047-251-16	\$242,009	\$0	\$20,490.68	\$20,490.68	12
49	047-251-15	\$2,387,065	\$0	\$20,490.68	\$20,490.68	116
50	047-251-14	\$1,515,621	\$0	\$20,490.68	\$20,490.68	74
51	047-251-13	\$5,095,138	\$0	\$20,490.68	\$20,490.68	249
52	047-252-01	\$757,201	\$0	\$2,951.77	\$2,951.77	257
53	047-252-02	\$46,264	\$0	\$8,307.04	\$8,307.04	6
54	047-252-03	\$93,123	\$0	\$17,721.68	\$17,721.68	5
55	047-252-04	\$486,959	\$0	\$17,721.68	\$17,721.68	27
56	047-252-05	\$590,437	\$0	\$17,721.68	\$17,721.68	33
57	047-252-06	\$510,110	\$0	\$17,721.68	\$17,721.68	29
58	047-252-07	\$286,956	\$0	\$17,721.68	\$17,721.68	16
59	047-252-08	\$625,116	\$0	\$34,889.54	\$34,889.54	18
60	047-252-09	\$982,631	\$0	\$17,721.68	\$17,721.68	55
61	047-252-10	\$1,172,000	\$0	\$17,721.68	\$17,721.68	66
62	047-252-11	\$560,960	\$0	\$17,721.68	\$17,721.68	32
63	047-252-12	\$90,663	\$0	\$17,721.68	\$17,721.68	5
64	047-252-13	\$441,577	\$0	\$3,505.57	\$3,505.57	126
65	047-252-14	\$1,850,000	\$0	\$7,199.42	\$7,199.42	257
66	047-252-24	\$1,998,745	\$0	\$22,705.89	\$22,705.89	88
67	047-252-23	\$901,011	\$0	\$22,705.89	\$22,705.89	40
68	047-252-22	\$951,063	\$0	\$22,705.89	\$22,705.89	42
69	047-252-21	\$4,581,934	\$0	\$22,705.89	\$22,705.89	202
70	047-252-20	\$1,326,962	\$0	\$22,705.89	\$22,705.89	58
71	047-252-19	\$6,300,000	\$0	\$22,705.89	\$22,705.89	277
72	047-252-18	\$1,579,967	\$0	\$22,705.89	\$22,705.89	70
73	047-252-17	\$230,040	\$0	\$22,705.89	\$22,705.89	10
74	047-252-16	\$2,065,635	\$0	\$22,705.89	\$22,705.89	91
75	047-252-15	\$1,660,743	\$0	\$22,705.89	\$22,705.89	73
76	047-281-01	\$125,455	\$0	\$17,721.68	\$17,721.68	7
77	047-281-02	\$100,162	\$0	\$26,582.51	\$26,582.51	4
78	047-281-03	\$299,694	\$0	\$26,582.51	\$26,582.51	11
79	047-281-04	\$642,907	\$0	\$17,721.68	\$17,721.68	36
80	047-281-05	\$1,750,993	\$0	\$17,721.68	\$17,721.68	99
81	047-281-06	\$253,404	\$0	\$17,721.68	\$17,721.68	14
82	047-281-24	\$1,654,422	\$0	\$17,721.68	\$17,721.68	93
83	047-281-25	\$498,915	\$0	\$17,721.68	\$17,721.68	28
84	047-281-08	\$186,908	\$0	\$17,721.68	\$17,721.68	11
85	047-281-09	\$147,159	\$0	\$17,721.68	\$17,721.68	8
86	047-281-10	\$680,311	\$0	\$17,721.68	\$17,721.68	38
87	047-281-11	\$413,856	\$0	\$17,721.68	\$17,721.68	23
88	047-281-12	\$883,140	\$0	\$17,721.68	\$17,721.68	50
89	047-281-23	\$1,945,373	\$0	\$22,705.89	\$22,705.89	86
90	047-281-22	\$5,500,000	\$0	\$22,705.89	\$22,705.89	242
91	047-281-21	\$6,139,500	\$0	\$22,705.89	\$22,705.89	270
92	047-281-20	\$1,535,961	\$0	\$22,705.89	\$22,705.89	68

Asmt No.	Assessor's Parcel Number	Total True Value	Existing Liens	Assessments as Preliminarily Approved	Assessments as Confirmed and Recorded	Value to Lien Ratio
93	047-281-19	\$986,085	\$0	\$22,705.89	\$22,705.89	43
94	047-281-18	\$2,186,611	\$0	\$22,705.89	\$22,705.89	96
95	047-281-17	\$304,973	\$0	\$21,598.28	\$21,598.28	14
96	047-281-16	\$4,723,500	\$0	\$21,044.49	\$21,044.49	224
97	047-281-15	\$355,605	\$0	\$20,490.68	\$20,490.68	17
98	047-281-14	\$527,744	\$0	\$19,383.08	\$19,383.08	27
99	047-281-13	\$940,172	\$0	\$18,275.48	\$18,275.48	51
100	047-282-01	\$456,429	\$0	\$5,166.98	\$5,166.98	88
101	047-282-02	\$76,237	\$0	\$14,952.66	\$14,952.66	5
102	047-282-03	\$122,117	\$0	\$18,829.27	\$18,829.27	6
103	936-08-007	\$343,819	\$0	\$8,860.83	\$8,860.83	39
104	936-08-008	\$371,653	\$0	\$8,860.83	\$8,860.83	42
105	047-282-05	\$83,275	\$0	\$17,167.88	\$17,167.88	5
106	047-282-06	\$437,174	\$0	\$16,614.07	\$16,614.07	26
107	047-282-07	\$84,051	\$0	\$16,060.27	\$16,060.27	5
108	047-282-08	\$82,429	\$0	\$14,952.66	\$14,952.66	6
109	047-282-09	\$77,789	\$0	\$14,398.86	\$14,398.86	5
110	047-282-10	\$1,217,000	\$0	\$14,398.86	\$14,398.86	85
111	047-282-11	\$95,233	\$0	\$13,291.26	\$13,291.26	7
112	047-282-25	\$1,016,763	\$0	\$10,522.24	\$10,522.24	97
113	047-282-24	\$1,521,754	\$0	\$17,721.68	\$17,721.68	86
114	047-282-23	\$487,252	\$0	\$17,721.68	\$17,721.68	27
115	047-282-26	\$2,530,558	\$0	\$11,629.85	\$11,629.85	218
116	047-282-27	\$902,601	\$0	\$11,629.85	\$11,629.85	78
117	047-282-21	\$728,334	\$0	\$11,629.85	\$11,629.85	63
118	047-282-20	\$3,366,000	\$0	\$11,629.85	\$11,629.85	289
119	047-282-19	\$104,098	\$0	\$11,629.85	\$11,629.85	9
120	047-282-18	\$315,878	\$0	\$11,629.85	\$11,629.85	27
121	047-282-17	\$120,859	\$0	\$11,629.85	\$11,629.85	10
122	047-282-12	\$1,664,640	\$0	\$5,909.07	\$5,909.07	282
123	047-282-13	\$279,760	\$0	\$11,629.85	\$11,629.85	24
124	047-282-14	\$126,125	\$0	\$11,629.85	\$11,629.85	11
125	047-282-16	\$121,269	\$0	\$11,629.85	\$11,629.85	10
126	047-282-15	\$3,375,000	\$0	\$11,629.85	\$11,629.85	290
127	048-023-01	\$596,692	\$0	\$6,274.58	\$6,274.58	95
128	048-023-02	\$287,060	\$0	\$15,506.47	\$15,506.47	19
129	048-023-03	\$1,216,696	\$0	\$13,291.26	\$13,291.26	92
130	048-023-04	\$109,591	\$0	\$13,291.26	\$13,291.26	8
131	048-023-23	\$444,607	\$0	\$12,183.65	\$12,183.65	36
132	048-023-22	\$72,439	\$0	\$12,183.65	\$12,183.65	6
133	048-023-21	\$814,500	\$0	\$12,183.65	\$12,183.65	67
134	048-023-20	\$67,730	\$0	\$11,629.85	\$11,629.85	6
135	048-023-19	\$78,662	\$0	\$11,629.85	\$11,629.85	7
136	048-023-18	\$1,665,000	\$0	\$11,629.85	\$11,629.85	143
137	048-023-17	\$588,149	\$0	\$11,629.85	\$11,629.85	51
138	048-023-16	\$723,976	\$0	\$11,629.85	\$11,629.85	62

Asmt No.	Assessor's Parcel Number	Total True Value	Existing Liens	Assessments as Preliminarily Approved	Assessments as Confirmed and Recorded	Value to Lien Ratio
139	048-023-05	\$587,645	\$0	\$11,629.85	\$11,629.85	51
140	048-023-06	\$280,720	\$0	\$11,629.85	\$11,629.85	24
141	048-023-07	\$815,586	\$0	\$11,629.85	\$11,629.85	70
142	048-023-08	\$241,299	\$0	\$17,721.68	\$17,721.68	14
143	048-023-09	\$2,760,201	\$0	\$17,721.68	\$17,721.68	156
144	048-023-10	\$560,571	\$0	\$23,259.70	\$23,259.70	24
145	048-023-15	\$1,286,000	\$0	\$3,876.62	\$3,876.62	332
146	048-023-14	\$81,164	\$0	\$11,629.85	\$11,629.85	7
147	048-023-13	\$179,445	\$0	\$9,968.44	\$9,968.44	18
148	048-023-11	\$3,250,000	\$0	\$9,968.44	\$9,968.44	326
149	048-023-12	\$767,414	\$0	\$14,952.66	\$14,952.66	51
150	048-024-01	\$357,390	\$0	\$11,629.85	\$11,629.85	31
151	048-024-02	\$287,395	\$0	\$11,629.85	\$11,629.85	25
152	048-024-21	\$597,601	\$0	\$34,335.74	\$34,335.74	17
153	048-024-20	\$66,673	\$0	\$11,629.85	\$11,629.85	6
154	048-024-19	\$494,871	\$0	\$11,629.85	\$11,629.85	43
155	048-024-25	\$471,197	\$0	\$11,629.85	\$11,629.85	41
156	048-024-24	\$353,549	\$0	\$11,629.85	\$11,629.85	30
157	048-024-17	\$310,165	\$0	\$11,629.85	\$11,629.85	27
158	048-024-16	\$392,578	\$0	\$11,629.85	\$11,629.85	34
159	048-024-27	\$414,970	\$0	\$11,629.85	\$11,629.85	36
160	048-024-26	\$1,682,000	\$0	\$11,629.85	\$11,629.85	145
161	048-024-04	\$226,104	\$0	\$23,259.70	\$23,259.70	10
162	048-024-05	\$150,747	\$0	\$11,629.85	\$11,629.85	13
163	048-024-06	\$190,502	\$0	\$11,629.85	\$11,629.85	16
164	048-024-07	\$243,427	\$0	\$11,629.85	\$11,629.85	21
165	048-024-08	\$2,652,000	\$0	\$11,629.85	\$11,629.85	228
166	048-024-23	\$1,498,409	\$0	\$11,629.85	\$11,629.85	129
167	048-024-22	\$1,727,622	\$0	\$11,629.85	\$11,629.85	149
168	048-024-14	\$609,976	\$0	\$3,876.62	\$3,876.62	157
169	048-024-13	\$176,905	\$0	\$11,629.85	\$11,629.85	15
170	048-024-12	\$73,707	\$0	\$9,968.44	\$9,968.44	7
171	048-024-10	\$123,165	\$0	\$11,629.85	\$11,629.85	11
172	048-024-11	\$384,364	\$0	\$13,291.26	\$13,291.26	29
173	048-073-01	\$1,253,000	\$0	\$3,876.62	\$3,876.62	323
174	048-073-02	\$282,444	\$0	\$11,629.85	\$11,629.85	24
175	048-073-29	\$3,486,549	\$0	\$17,721.68	\$17,721.68	197
176	048-073-30	\$3,312,241	\$0	\$17,721.68	\$17,721.68	187
177	048-073-26	\$684,453	\$0	\$11,629.85	\$11,629.85	59
178	048-073-25	\$1,795,000	\$0	\$11,629.85	\$11,629.85	154
179	048-073-24	\$791,308	\$0	\$11,629.85	\$11,629.85	68
180	048-073-23	\$722,891	\$0	\$11,629.85	\$11,629.85	62
181	048-073-18	\$606,121	\$0	\$11,629.85	\$11,629.85	52
182	048-073-17	\$895,147	\$0	\$11,629.85	\$11,629.85	77
183	048-073-16	\$916,631	\$0	\$11,629.85	\$11,629.85	79
184	048-073-15	\$298,381	\$0	\$13,845.06	\$13,845.06	22

Asmt No.	Assessor's Parcel Number	Total True Value	Existing Liens	Assessments as Preliminarily Approved	Assessments as Confirmed and Recorded	Value to Lien Ratio
185	048-073-14	\$65,683	\$0	\$14,398.86	\$14,398.86	5
186	048-073-13	\$407,550	\$0	\$14,398.86	\$14,398.86	28
187	048-073-05	\$2,632,793	\$0	\$11,629.85	\$11,629.85	226
188	048-073-28	\$4,309,500	\$0	\$11,629.85	\$11,629.85	371
189	048-073-27	\$1,826,103	\$0	\$11,629.85	\$11,629.85	157
190	048-073-07	\$406,610	\$0	\$17,721.68	\$17,721.68	23
191	048-073-08	\$1,739,083	\$0	\$15,506.47	\$15,506.47	112
192	048-073-09	\$970,096	\$0	\$13,845.06	\$13,845.06	70
193	048-073-10	\$2,428,020	\$0	\$11,629.85	\$11,629.85	209
194	048-073-11	\$1,346,720	\$0	\$13,845.06	\$13,845.06	97
195	048-073-12	\$895,179	\$0	\$13,845.06	\$13,845.06	65
196	048-074-01	\$66,669	\$0	\$11,629.85	\$11,629.85	6
197	048-074-02	\$1,513,500	\$0	\$11,629.85	\$11,629.85	130
198	048-074-03	\$63,006	\$0	\$11,629.85	\$11,629.85	5
199	048-074-04	\$3,264,000	\$0	\$11,629.85	\$11,629.85	281
200	048-074-05	\$117,753	\$0	\$11,629.85	\$11,629.85	10
201	048-074-23	\$80,346	\$0	\$11,629.85	\$11,629.85	7
202	048-074-22	\$106,417	\$0	\$11,629.85	\$11,629.85	9
203	048-074-21	\$697,307	\$0	\$11,629.85	\$11,629.85	60
204	048-074-20	\$201,832	\$0	\$11,629.85	\$11,629.85	17
205	048-074-19	\$50,832	\$0	\$11,629.85	\$11,629.85	4
206	048-074-18	\$1,875,000	\$0	\$11,629.85	\$11,629.85	161
207	048-074-17	\$482,184	\$0	\$11,629.85	\$11,629.85	41
208	048-074-16	\$66,943	\$0	\$11,629.85	\$11,629.85	6
209	048-074-15	\$930,252	\$0	\$11,629.85	\$11,629.85	80
210	048-074-14	\$83,277	\$0	\$17,167.88	\$17,167.88	5
211	048-074-06	\$423,462	\$0	\$11,629.85	\$11,629.85	36
212	048-074-24	\$2,154,064	\$0	\$11,629.85	\$11,629.85	185
213	048-074-26	\$158,172	\$0	\$11,629.85	\$11,629.85	14
214	048-074-27	\$3,036,221	\$0	\$11,629.85	\$11,629.85	261
215	048-074-09	\$160,094	\$0	\$11,629.85	\$11,629.85	14
216	048-074-10	\$1,193,499	\$0	\$11,629.85	\$11,629.85	103
217	048-074-11	\$195,676	\$0	\$11,629.85	\$11,629.85	17
218	048-074-28	\$1,215,286	\$0	\$11,629.85	\$11,629.85	104
219	048-074-29	\$3,500,000	\$0	\$11,629.85	\$11,629.85	301
220	048-074-13	\$2,628,338	\$0	\$14,398.86	\$14,398.86	183
221	048-081-21	\$629,043	\$0	\$23,813.50	\$23,813.50	26
222	048-081-22	\$1,823,000	\$0	\$12,737.45	\$12,737.45	143
223	048-081-26	\$1,590,000	\$0	\$13,291.26	\$13,291.26	120
224	048-081-27	\$2,236,000	\$0	\$13,291.26	\$13,291.26	168
225	048-081-04	\$613,894	\$0	\$13,291.26	\$13,291.26	46
226	048-081-16	\$87,356	\$0	\$13,291.26	\$13,291.26	7
227	048-081-19	\$84,754	\$0	\$13,291.26	\$13,291.26	6
228	048-081-18	\$86,861	\$0	\$13,291.26	\$13,291.26	7
229	048-081-06	\$139,839	\$0	\$13,291.26	\$13,291.26	11
230	048-081-15	\$138,789	\$0	\$13,291.26	\$13,291.26	10

Asmt No.	Assessor's Parcel Number	True Value	Existing Liens	Assessments as Preliminarily Approved	Assessments as Confirmed and Recorded	Value to Lien Ratio
231	048-081-14	\$2,252,500	\$0	\$13,291.26	\$13,291.26	169
232	932-94-106	\$1,273,449	\$0	\$6,645.62	\$6,645.62	192
233	932-94-107	\$1,697,932	\$0	\$6,645.62	\$6,645.62	255
234	048-081-12	\$291,827	\$0	\$13,291.26	\$13,291.26	22
235	048-081-11	\$117,051	\$0	\$13,291.26	\$13,291.26	9
236	048-081-10	\$689,123	\$0	\$13,291.26	\$13,291.26	52
237	048-081-09	\$2,609,849	\$0	\$13,291.26	\$13,291.26	196
238	048-081-24	\$1,420,835	\$0	\$13,291.26	\$13,291.26	107
239	048-081-23	\$1,785,181	\$0	\$13,291.26	\$13,291.26	134
240	048-081-07	\$2,087,845	\$0	\$13,291.26	\$13,291.26	157
241	048-082-01	\$535,758	\$0	\$13,291.26	\$13,291.26	40
242	048-082-02	\$0	\$0	\$29,462.28	\$29,462.28	N/A
243	048-082-13	\$385,459	\$0	\$13,291.26	\$13,291.26	29
244	048-082-14	\$208,798	\$0	\$13,291.26	\$13,291.26	16
245	048-082-15	\$247,464	\$0	\$13,291.26	\$13,291.26	19
246	048-082-11	\$301,589	\$0	\$13,291.26	\$13,291.26	23
247	048-082-10	\$110,015	\$0	\$13,291.26	\$13,291.26	8
248	048-082-09	\$3,631,681	\$0	\$13,291.26	\$13,291.26	273
249	048-082-08	\$1,743,272	\$0	\$13,291.26	\$13,291.26	131
250	048-082-07	\$712,261	\$0	\$13,291.26	\$13,291.26	54
251	048-082-06	\$105,649	\$0	\$13,291.26	\$13,291.26	8
252	048-082-17	\$2,638,527	\$0	\$13,291.26	\$13,291.26	199
253	048-082-16	\$4,590,000	\$0	\$13,291.26	\$13,291.26	345
254	048-082-04	\$2,309,412	\$0	\$13,291.26	\$13,291.26	174
255	048-121-01	\$2,279,074	\$0	\$34,889.54	\$34,889.54	65
256	048-121-02	\$285,108	\$0	\$16,060.27	\$16,060.27	18
257	048-121-03	\$560,237	\$0	\$16,060.27	\$16,060.27	35
258	048-121-04	\$315,393	\$0	\$16,060.27	\$16,060.27	20
259	048-121-05	\$224,201	\$0	\$16,060.27	\$16,060.27	14
260	048-121-06	\$224,201	\$0	\$16,060.27	\$16,060.27	14
261	048-121-07	\$999,600	\$0	\$16,060.27	\$16,060.27	62
262	048-121-20	\$488,953	\$6,834	\$5,460.50	\$5,460.50	40
263	048-121-21	\$417,660	\$5,522	\$3,212.06	\$3,212.06	48
264	048-121-19	\$1,161,505	\$0	\$17,167.88	\$17,167.88	68
265	048-121-18	\$1,090,093	\$0	\$16,060.27	\$16,060.27	68
266	048-121-17	\$185,582	\$0	\$16,060.27	\$16,060.27	12
267	048-121-15	\$1,136,718	\$0	\$16,060.27	\$16,060.27	71
268	932-16-029	\$709,526	\$0	\$7,753.23	\$7,753.23	92
269	932-16-030	\$645,023	\$0	\$7,753.23	\$7,753.23	83
270	048-121-13	\$1,883,860	\$0	\$16,060.27	\$16,060.27	117
271	048-121-12	\$246,655	\$0	\$16,060.27	\$16,060.27	15
272	048-121-11	\$2,868,445	\$0	\$16,060.27	\$16,060.27	179
273	048-121-10	\$146,245	\$0	\$16,060.27	\$16,060.27	9
274	048-121-09	\$1,746,590	\$8,283	\$3,212.06	\$3,212.06	152
		\$288,451,781	\$20,639	\$4,345,000.00	\$4,345,000.00	66

Table 2
Debt Limit Valuation

A. ESTIMATED BALANCE TO ASSESSMENT	\$4,345,000
B. UNPAID SPECIAL ASSESSMENTS	\$20,639 *
TOTAL A & B	\$4,365,639
C. TRUE VALUE OF PARCELS	\$288,451,781 **
AVERAGE VALUE TO LIEN RATIO	66 :1

* Unpaid Special Assessments shall consist of the total principal sum of all unpaid special assessments previously levied or proposed to be levied other than in the instant proceedings.

** True Value of Parcels means the total value of the land and improvements as estimated and shown on the last equalized roll of the County or as otherwise reasonably calculated.

This report does not represent a recommendation of parcel value, economic viability or financial feasibility, as that is not the responsibility of the Assessment Engineer.

CERTIFICATION

I, the undersigned Assessment Engineer, do hereby certify that (i) the total amount of the principal sum of the special assessments proposed to be levied, together with the principal amount of previously levied special assessments, as set forth above, do not exceed one-half (1/2) the total true value of the parcels proposed to be assessed, and (ii) the amount proposed to be assessed upon any parcel does not exceed one-half of the true value of the parcel.

EXECUTED on May 26, 2010.

HARRIS & ASSOCIATES



JOANE COX, P.E.

R.C.E. No. 41965

ASSESSMENT ENGINEER

CITY OF NEWPORT BEACH

COUNTY OF ORANGE, STATE OF CALIFORNIA

Exhibit 1 Method and Formula of Assessment Spread

Since the improvements are to be funded by the levying of assessments, the "Municipal Improvement Act of 1913" and Article XIID of the State Constitution require that assessments must be based on the special benefit that the properties receive from the works of improvement. In addition, Section 4 of Article XIID of the State Constitution requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Section 4 provides that only special benefits are assessable and the local agency levying the assessment must separate the general benefits from the special benefits. It also provides that parcels within a district that are owned or used by any public agency, the State of California, or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. Neither the Act nor the State Constitution specifies the method or formula that should be used to apportion the costs to properties in any special assessment district proceedings.

The responsibility for recommending an apportionment of the costs to properties which specially benefit from the improvements rests with the Assessment Engineer, who is appointed for the purpose of making an analysis of the facts and determining the correct apportionment of the assessment obligation. In order to apportion the assessments to each parcel in direct proportion with the special benefit which it will receive from the improvements, an analysis has been completed and is used as the basis for apportioning costs to each property within the Assessment District.

Based upon an analysis of the special benefit to be received by each parcel from the construction of the works of improvement, the Assessment Engineer recommends the apportionment of costs as outlined below. The final authority and action rests with the City Council after hearing all testimony and evidence presented at a public hearing, and tabulating the assessment ballots previously mailed to all record owners of property within the Assessment District. Upon the conclusion of the public hearing, the City Council must make the final determination whether or not the assessment spread has been made in direct proportion to the special benefits received by each parcel within the Assessment District. Ballot tabulation will be done at that time and, if a majority of the returned ballots weighted by assessment amount are not in opposition to the Assessment District, the City Council may form the Assessment District.

The following sections set forth the methodology used to apportion the costs of the improvements to each parcel.

SPECIAL BENEFITS

In further making the analysis, it is necessary that the properties receive a special benefit distinguished from general benefits conferred on real property located in the District or to the public at large.

The purpose of this Assessment District is to provide the financing to underground existing overhead electrical, telephone and cable facilities as well as rehabilitate the affected portions of streets and alleys within the District. These facilities are the direct source of service to the properties within the Assessment District.

The proposed replacement of existing overhead utility facilities (power, telephone and cable facilities) with underground facilities and removal of the existing utility poles and the overhead wires will provide a special benefit to the parcels connected to and adjacent to, or in near proximity of, the facilities as follows:

- **Improved Aesthetics Benefit.** This benefit relates to the improved aesthetics of the streetscape due to the removal of overhead wires and utility poles. For the purposes of this report, a street is defined as either a street or alley. The removal of guy wires and other support structures related to the overhead facilities are included in the definition of improved aesthetics. Properties that are adjacent to, or in proximity of, overhead facilities receive an aesthetic benefit.
- **Additional Safety Benefit.** This benefit relates to the additional safety of having the overhead distribution wires placed underground and having the power poles removed, which eliminates the threat of downed utility lines and poles due to wind, rain and other unforeseeable events. Falling facilities can lead to personal injuries and damage to structures, including fire. Properties immediately adjacent to the facilities usually have a greater risk. Furthermore, in compact communities like Balboa Peninsula, the negative effects of falling lines and poles are more widespread including blocked roadways and alleys, and property damage due to impact. Properties that are adjacent to, or in proximity of, overhead facilities receive a safety benefit.
- **Connection Benefit.** This benefit relates to the enhanced reliability of service from the utilities being underground, due to having all new wires and equipment and having that equipment underground, which reduces the threat of service interruption from downed lines. When compared to overhead systems, fewer outages occur due to various acts of nature, traffic collisions and obstructions (such as trees). Properties that are connected to, or have the ability to connect to, the facilities proposed to be undergrounded receive a connection benefit.

By virtue of such special benefits, the proposed improvements will provide a higher level of service, increase the desirability of the properties and will specifically enhance the values of the properties within the Assessment District. Therefore, the proposed improvements are of direct and special benefit to these properties.

GENERAL BENEFITS

Section 4 of Article XIID requires that the general benefits imparted by the utility undergrounding project be separated from the special benefits and that only the special benefit portion of the costs of the project be assessed against those parcels which are identified as receiving special benefits. Separating the general from the special benefits requires an examination of the facts and circumstances of the project and the property being assessed.

In this particular assessment district, the streets and alleys along which the existing overhead utility facilities are being undergrounded function as local and collector streets. No other roadways are designated as an arterial, a major arterial or a scenic corridor in the Transportation Element of the City's General Plan. Furthermore, the City has an established network of arterial streets which appear to function as intended to provide for the movement of traffic around and through the community at large without the need to utilize local collector streets for such purposes. Under these circumstances, any use of the streets within the assessment district as "through" streets is incidental.

With the exception of Newport Elementary School at the westerly end of the project and the telephone equipment building at the easterly end, the properties situated within the assessment

district are used almost exclusively as residential. Under this circumstance, the impacts, both visual and safety, are largely isolated to those properties (and the persons who inhabit them) which front on these local streets and alleys, with only incidental impacts on those who visit homes within the assessment district or who pass through the assessment district on trips originating outside the boundary and having a destination outside the boundary.

Based on these facts and circumstances, any general benefits to the property within the Assessment District in general, to the surrounding community and to the public at large from the project of undergrounding these local overhead utility facilities on the local streets and alleys, such as to the general public visiting in cars, on bikes or on foot, are incidental and do not exceed five percent (5%) of the estimated project costs. This general benefit portion of the cost is more than offset by the 11.56 percent utility company contribution. Therefore, \$3,885,711 of the \$4,090,222 total project design and construction costs represents the local and special benefits to the parcels within the Assessment District. Because only the net amount of \$3,666,290 is apportioned to the parcels within the District, no parcel is assessed more than its proportional share of the special benefits from the improvements.

METHODOLOGY

Based upon the findings described above, the special benefit received by the properties within the boundaries of the Assessment District is the conversion from an overhead to an underground utility system resulting in additional safety, enhanced reliability, and improved aesthetics to the adjacent properties.

Based on these conditions, it is our conclusion that the improvements specially benefit all assessed properties in the Assessment District.

To establish the benefit to the individual parcels within the Assessment District, the highest and best use of each property is considered. For example, a vacant property is considered developed to its highest potential and connected to the system.

The more a property is developed, the more it benefits from the proposed improvements. Most of properties within this Assessment District are zoned residential and some have one or two dwelling units on them. There is a direct correlation between the size of a property and the extent to which a property may develop. Because parcel size is one of the main limiting factors for what can be built on a property, or the extent the property is developed, the size of each parcel is used as the base unit for measuring benefit.

The area of each property has been rounded to the nearest 100 square feet (sf), which accounts for any minor area calculation inconsistencies.

Consideration was given to reducing the amount of area assigned to parcels based upon the building setbacks applicable to each parcel. Due to the combined factors of (a) significant variations in the setback requirements, including front, side and rear setbacks, (b) availability of future variances from currently applicable setback requirements as well as existing variances already in place, and (c) significant variations in the ratios between building size and lot size, it was concluded that adjustments to parcel areas on account of setback requirements would not improve upon the assessment methodology. Accordingly, no reductions have been made to parcel area based upon applicable setback requirements or the existence of easements within those setbacks.

The area of a condominium is calculated by taking the area of the base parcel and dividing by the number of condominiums.

The special benefits from the undergrounding of overhead utilities are categorized into the three (3) distinct benefits identified above. All parcels within the District, except for the few exceptions identified below, receive 3 of the 3 benefits (which is a factor of 1). Therefore, their rounded parcel areas are multiplied by 1 to calculate the "Assessed Parcel Area" on which costs are apportioned.

Exceptions

The following are parcels whose benefits do not fit the above methodology, as explained below.

1. Assessment No. 1, Newport Elementary School. This property is deemed to receive no Aesthetic Benefit from the undergrounding project, as improved aesthetics does not impact the desirability of a school property. This property is considered to receive full Improved Safety Benefits from the undergrounding project.

This property receives only cable services from the undergrounding project (1 of the 3 services available to the other properties); the other two services are provided from facilities on 14th Street, from the utility system that was undergrounded by AD 99-2. Therefore, this property is deemed to receive only 1/3 the Connection Benefit.

Therefore, this property receives $0 + 1 + 1/3 = 1.33$ of 3 of the benefits from the undergrounding project. Therefore, this property receives 4/9 the benefit of other properties. Its rounded parcel area has been multiplied by 4/9 to calculate the Assessed Parcel Area to fairly apportion the costs.

2. Assessment Nos. 52, 64, 100, 122, 127, 145, 168 and 173. These parcels are connected to the utilities that are proposed to be underground; however, the poles, wires and guy wires to be undergrounded are not in close proximity to these properties and do not provide significant aesthetic benefits to them, nor would they encroach upon these properties should they fall. These parcels do not receive the same level of benefits as other parcels in the District; they receive a Connection Benefit, but no improved Aesthetic or Safety Benefits. Therefore, these properties receive $0 + 0 + 1 = 1$ of 3 of the benefits from the undergrounding project. Their rounded parcel areas have been multiplied by 1/3 to calculate the Assessed Parcel Area to fairly apportion the costs.
3. Assessment No. 242, the Telephone Equipment Building. This property houses telephone equipment. Because of its use, this property is not intended for habitation or commerce and has no parking facilities on the property. Therefore, this property is not considered to receive any aesthetic benefits associated from this undergrounding project. However, it is considered to receive full safety benefits. Also, although this parcel has all utilities available to it, it is not considered to benefit from the telephone service (as this property provides the telephone service to the surrounding area) or the cable service (because of its use). Therefore, this property receives 1/3 the Connection Benefit. Therefore, this property receives $0 + 1 + 1/3 = 1.33$ of 3 of the benefits from the undergrounding project. Its rounded parcel area has been multiplied by 4/9 to calculate the Assessed Parcel Area to fairly apportion the costs.

4. Assessment Nos. 263 and 274. In 2004, these properties were included in Assessment District No. 75. These properties were previously assessed for their special benefits related to that utility undergrounding project; however, their assessments were discounted by 20% because of the addition of the guy pole at the corner of Adams Street and the alley. Therefore, these properties are assigned a factor of 0.2 (20%) for their special benefits from this current undergrounding project. Their rounded parcel areas have been multiplied by 0.2 to calculate the Assessed Parcel Area to fairly apportion the costs. Any additional special benefits that may be perceived to apply to these parcels are offset by the utility company contribution not allocated to the general benefits associated with this utility undergrounding project.
5. Assessment No. 262. In 2004, this property was included in Assessment District No. 75. This property was previously assessed for its special benefits related to that utility undergrounding project; however, its assessment was discounted by 34% because of the addition of a new riser pole at its westerly corner in the alley. Therefore, this property is assigned a factor of 0.34 (34%) for its special benefits from this current undergrounding project. Its rounded parcel area has been multiplied by 0.34 to calculate the Assessed Parcel Area to fairly apportion the costs. Any additional special benefits that may be perceived to apply to this parcel are offset by the utility company contribution not allocated to the general benefits associated with this utility undergrounding project.

ASSESSMENT APPORTIONMENT

Each parcel will be apportioned its fair share of the construction costs based on the Assessed Parcel Area calculated for each property.

Incidental Expenses and Financial Costs have been assessed to the entire Assessment District on a prorata basis relative to the total construction cost allocations.

The individual assessment calculations are provided in Appendix A. For particulars to the Assessment Roll, reference is made to Table 1 in Part III of this report.

In conclusion, it is my opinion that the assessments for the referenced Assessment District have been spread in direct accordance with the special benefits that each parcel receives from the works of improvement.

DATED: May 26, 2010

HARRIS & ASSOCIATES

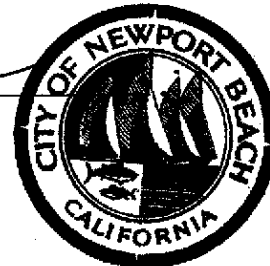


A handwritten signature in black ink, appearing to read "Joane Cox", written over a horizontal line.

JOAN E COX, P.E.
R.C.E. No. 41965
ASSESSMENT ENGINEER
CITY OF NEWPORT BEACH
COUNTY OF ORANGE,
STATE OF CALIFORNIA

I, VELANI I. BRONN, as CITY CLERK of the CITY OF NEWPORT BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was filed in my office on the 12th day of APRIL, 2010.

Velani I. Bronn
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA



I, VELANI I. BRONN, as CITY CLERK of the CITY OF NEWPORT BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was preliminarily approved by the City Council of the CITY OF NEWPORT BEACH, CALIFORNIA, on the 13th day of APRIL, 2010.

Velani I. Bronn
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA



I, VELANI I. BRONN, as CITY CLERK of the CITY OF NEWPORT BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was approved and confirmed by the City Council of said City on the 6th day of JUNE, 2010.

Velani I. Bronn
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA



I, STEVEN BADUM as SUPERINTENDENT OF STREETS of the CITY OF NEWPORT BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was recorded in my office on the 8th day of JUNE, 2010.

Steven Badum
SUPERINTENDENT OF STREETS
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

Part IV Annual Administrative Assessment

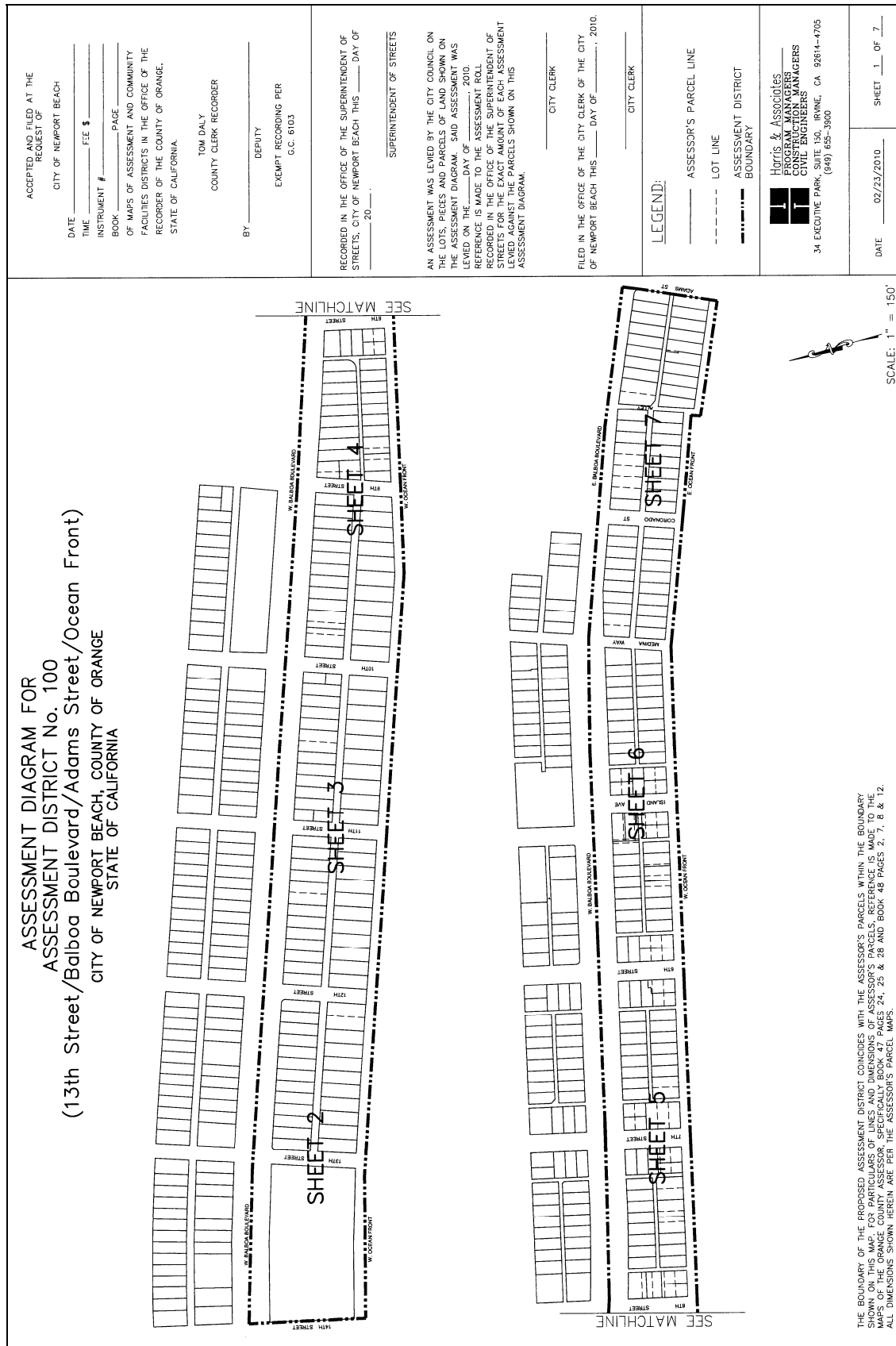
A proposed maximum annual administrative assessment shall be levied on each parcel of land and subdivision of land within the Assessment District to pay for necessary costs and expenses incurred by the CITY OF NEWPORT BEACH, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration or registration of any bonds and reserve or other related funds, or both. The maximum assessment is authorized pursuant to the provisions of Section 10204(f) of the Streets and Highways Code and shall not exceed fifty dollars (\$50) per parcel per year, subject to an annual increase based on the Consumer Price Index (CPI), during the preceding year ending in January, for all Urban Consumers in the Los Angeles, Riverside, and Orange County areas. The exact amount of the administration charge will be established each year by the Superintendent of Streets.

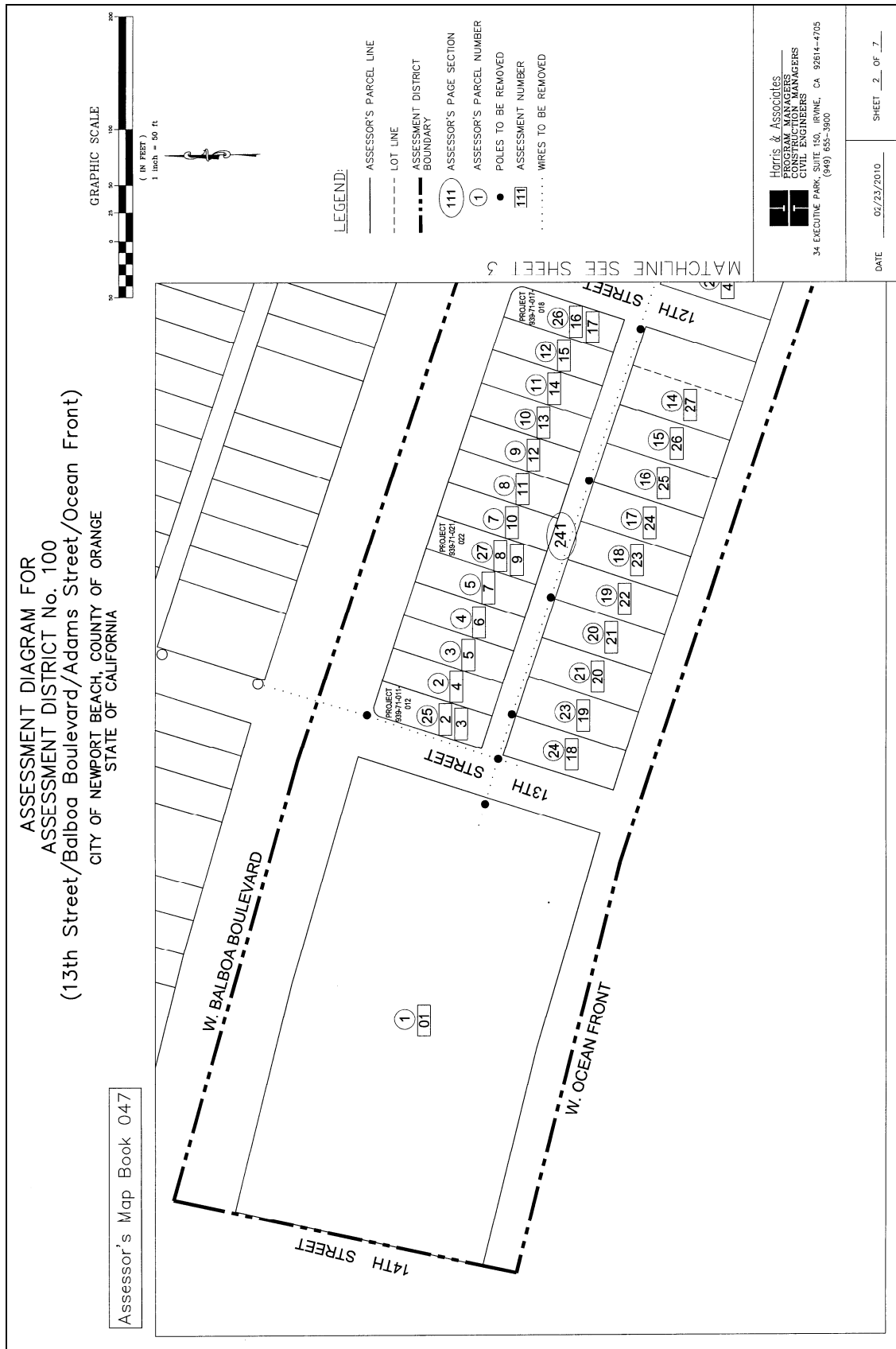
The annual administrative assessment will be collected in the same manner and in the same installments as the assessment levied to pay for the cost of the works of improvement.

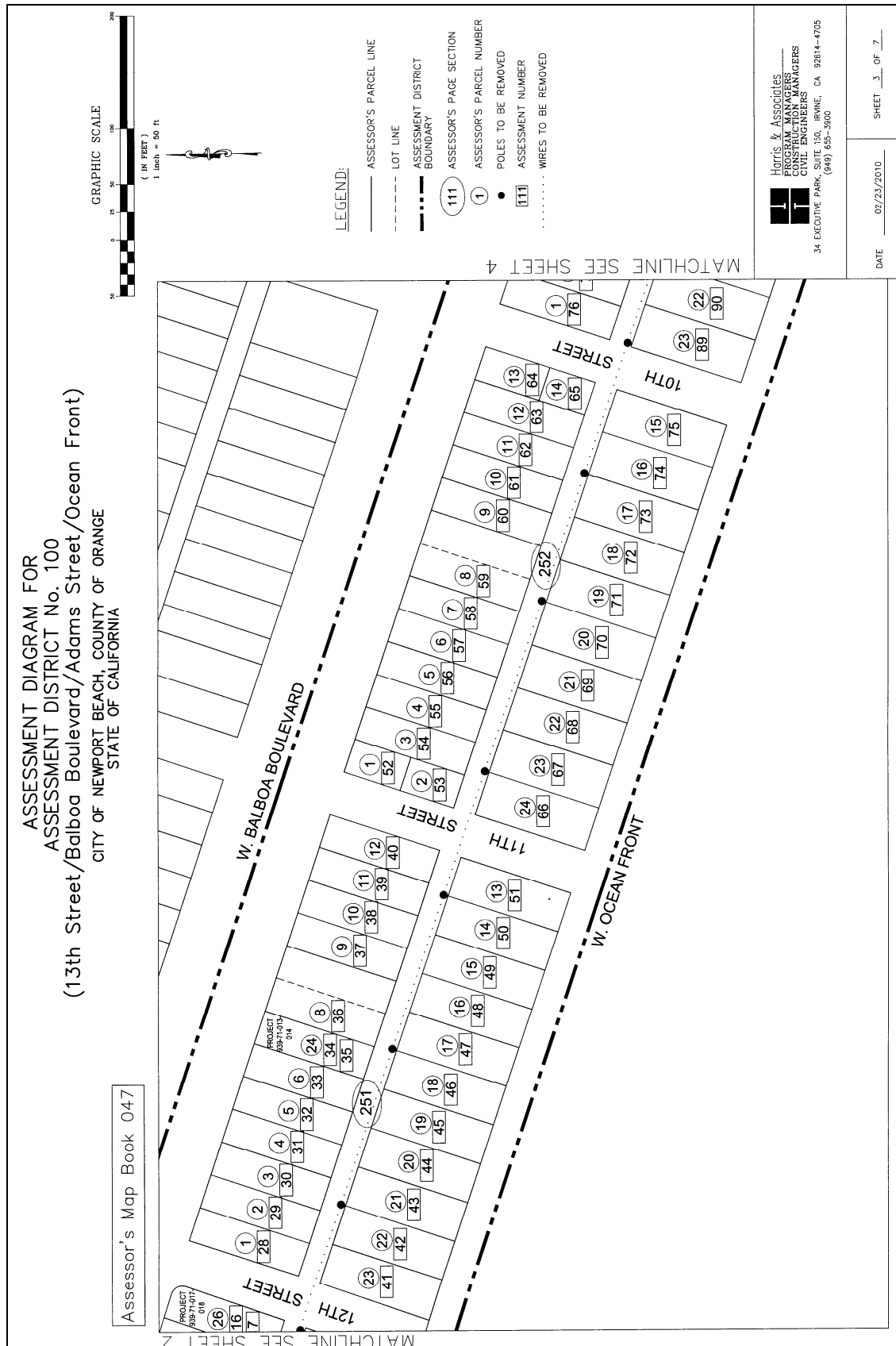
Part V Diagram of Assessment

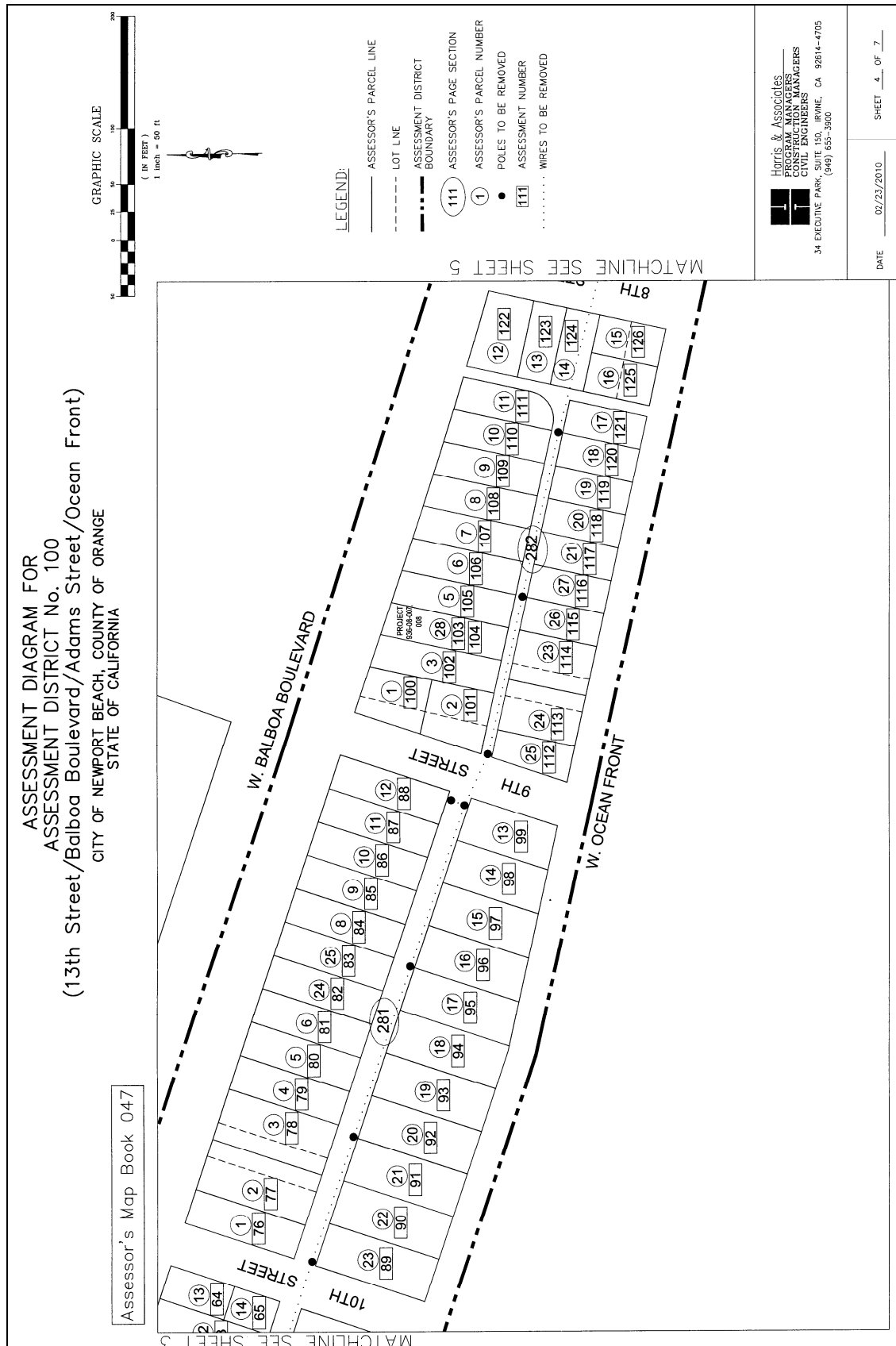
A reduced copy of the Assessment Diagram is attached hereto. Full-sized copies of the Boundary Map and Assessment Diagram are on file in the Office of the City Clerk, of the City of Newport Beach.

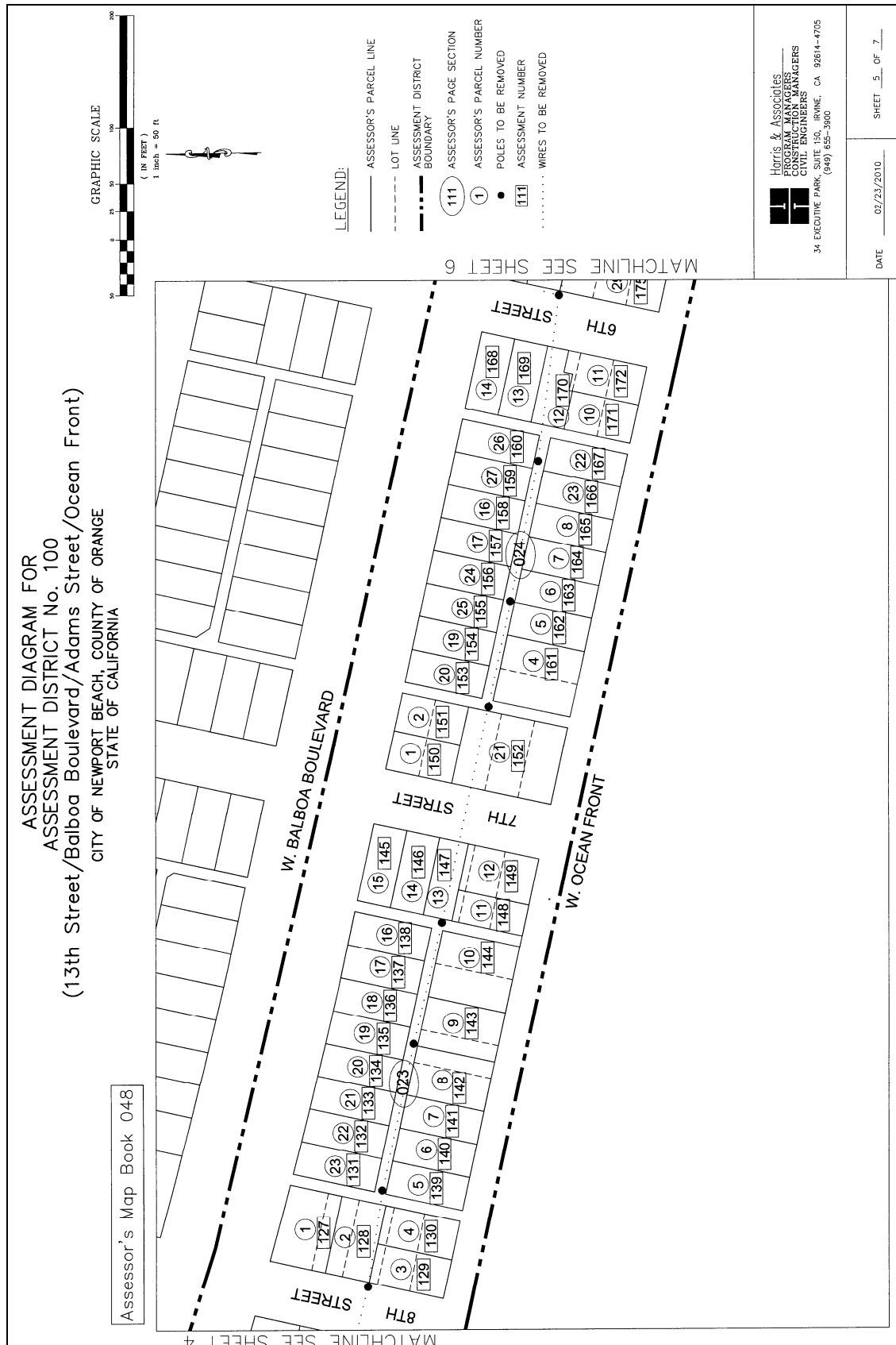
As required by the Act, the Assessment Diagram shows the exterior boundaries of the Assessment District and the assessment number assigned to each parcel of land corresponding to its number as it appears in the Assessment Roll contained in Part III Table 1. The Assessor's Parcel Number is also shown for each parcel as they existed at the time of the passage of the Resolution of Intention and reference is hereby made to the Assessor's Parcel Maps of the County of Orange for the boundaries and dimensions of each parcel of land.



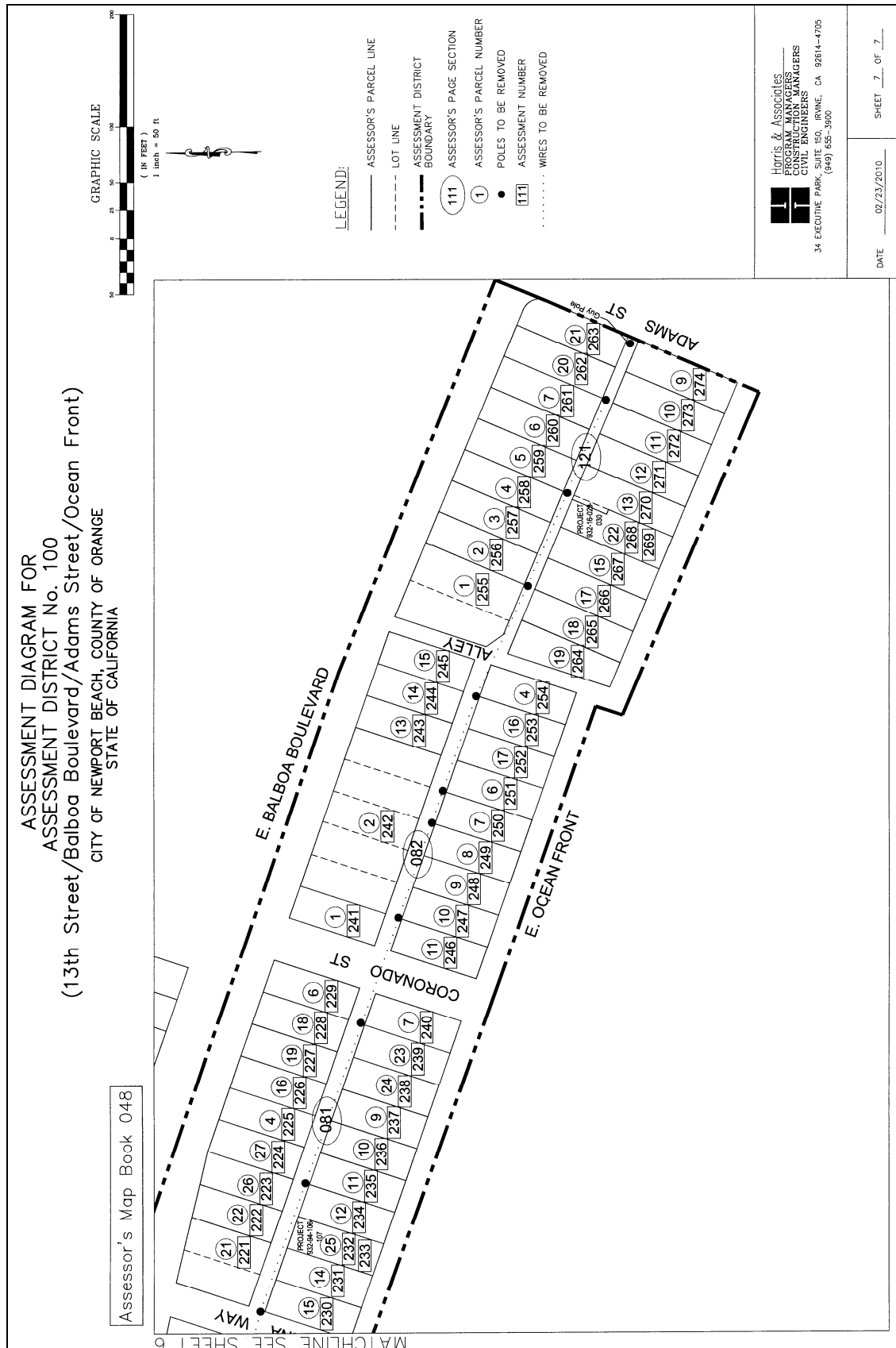












Part VI Description of Facilities

Section 10100 of the Act provides for the legislative body of any municipality to finance certain capital facilities and services within or along its streets or any public way or easement. The following is a list of proposed improvements as allowed under the Act to be installed, or improved under the provisions of the Act, including the acquisition of required right-of-way and/or property. For the general location of the improvements to be constructed referenced is hereby made to the Plans and Specifications described in Part I of this report.

The following improvements are proposed to be constructed and installed in the general location referred to as Assessment District No. 100.

1. Acquisition of any required easements or rights-of-way.
2. Removal of existing utility poles.
3. Removal of overhead resident service drops.
4. Construction of mainline underground power, telephone and cable conduit, with appurtenant manholes and pullboxes, and installation of cabling, wiring and other facilities.
5. Construction of service conduit and appurtenances.

The improvements have been designed by the Southern California Edison Company, AT&T and Time Warner Cable. The utility companies will be responsible for inspecting the work for their facilities and the City of Newport Beach will inspect the work to ensure conformance to City standards and specifications where applicable.

The City will also construct additional pavement rehabilitation as needed for the project.

Once completed, the underground facilities will become the property and responsibility of Southern California Edison Company, AT&T, and Time Warner Cable.

Each owner of property located within the Assessment District will be responsible for arranging for and paying for work on his or her property necessary to connect facilities constructed by the public utilities in the public streets and alleys to the points of connection on the private property. Conversion of individual service connections on private property is not included in the work done by the Assessment District.

The estimated time for completion of the undergrounding of the utilities is 36 months after the sale of bonds. Property owners will be required to provide necessary underground connections within 120 days of the completion of the underground facilities.

Failure to convert individual service connections on private property may result in a recommendation to the City Council that the public utilities be directed to discontinue service to that property pursuant to Section 15.32 of the Municipal Code. Overhead facilities cannot be removed until all overhead service has been discontinued.

Right-of-Way Certificate

**STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF NEWPORT BEACH**

The undersigned hereby CERTIFIES UNDER PENALTY OF PERJURY that the following is all true and correct.

That at all time herein mentioned, the undersigned was, and now is, the authorized representative of the duly appointed SUPERINTENDENT OF STREETS of the CITY OF NEWPORT BEACH, CALIFORNIA.

That there have now been instituted proceedings under the provisions of Article XIID of the California Constitution, and the "Municipal Improvements Act of 1913," being Division 12 of the Streets and Highways Code of the State of California, for the construction of certain public improvements in a special assessment district known and designated as ASSESSMENT DISTRICT NO. 100 (hereinafter referred to as the "Assessment District").

THE UNDERSIGNED STATES AND CERTIFIES AS FOLLOWS:

All easements or right-of-way necessary for the construction and installation of the public improvements of the Assessment District either have been obtained or are in process of being obtained and will be obtained and in the possession of the affected utility company, the City, the County of Orange or the State of California prior to commencement of the construction and installation of such public improvements.

EXECUTED this 8TH day of JUNE, 2010, at CITY OF NEWPORT BEACH, California.

SUPERINTENDENT OF STREETS
CITY OF NEWPORT BEACH
State of California

By: 

Stephen Badum, PE

Certificate of Completion of Environmental Proceedings

**STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF NEWPORT BEACH**

The undersigned, under penalty of perjury, CERTIFIES as follows:

1. That I am the person who authorized to prepare and process all environmental documentation as needed as it relates to the formation of the special Assessment District being formed pursuant to the provisions of the "Municipal Improvement Act of 1913" being Division 12 of the Streets and Highways Code of the State of California, said special Assessment District known and designated as ASSESSMENT DISTRICT NO. 100 (hereinafter referred to as the "Assessment District").

2. The specific environmental proceedings relating to this Assessment District that have been completed are as follows:

CEQA compliance review:

The proposed project is Categorically Exempt (Class 2) from the provisions of CEQA (replacement or reconstructions).

3. I do hereby certify that all environmental evaluation proceedings necessary for the formation of the Assessment District have been completed to my satisfaction, and that no further environmental proceedings are necessary.

EXECUTED this 8TH day of JUNE, 2010, at CITY OF NEWPORT BEACH, California.

By: 

Stephen Badum, PE
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

Appendix A - Assessment Calculations

Property Address	Asmt No.	Assessor's Parcel Number	Parcel Size (sf) Rounded	Benefit Factor	Assessed Parcel Area	Total Construction Costs	Incidental Expenses	Financial Costs	Preliminary Total Assessment
1325 W BALBOA BLVD	1	047-240-01	94,300	0.44	41,911	\$195,848.37	\$20,016.40	\$16,238.96	\$232,103.73
1249 W BALBOA BLVD	2	939-71-011	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1249 W BALBOA BLVD	3	939-71-012	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1245 W BALBOA BLVD	4	047-241-02	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1241 W BALBOA BLVD	5	047-241-03	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1237 W BALBOA BLVD	6	047-241-04	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1235 W BALBOA BLVD	7	047-241-05	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1229 W BALBOA BLVD	8	939-71-021	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1229 W BALBOA BLVD	9	939-71-022	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1225 W BALBOA BLVD	10	047-241-07	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1221 W BALBOA BLVD	11	047-241-08	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1219 W BALBOA BLVD	12	047-241-09	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1213 W BALBOA BLVD	13	047-241-10	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1209 W BALBOA BLVD	14	047-241-11	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1205 W BALBOA BLVD	15	047-241-12	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1201 W BALBOA BLVD	16	939-71-017	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
107 12TH ST	17	939-71-018	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1242 W OCEAN FRONT	18	047-241-24	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1236 W OCEAN FRONT	19	047-241-23	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1232 W OCEAN FRONT	20	047-241-21	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1228 W OCEAN FRONT	21	047-241-20	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1224 W OCEAN FRONT	22	047-241-19	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1220 W OCEAN FRONT	23	047-241-18	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1216 W OCEAN FRONT	24	047-241-17	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1212 W OCEAN FRONT	25	047-241-16	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1210 W OCEAN FRONT	26	047-241-15	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1200 W OCEAN FRONT	27	047-241-14	7,500	1.00	7,500	\$35,047.18	\$3,581.97	\$2,906.03	\$41,535.18
1149 W BALBOA BLVD	28	047-251-01	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1145 W BALBOA BLVD	29	047-251-02	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1141 W BALBOA BLVD	30	047-251-03	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1139 W BALBOA BLVD	31	047-251-04	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1133 W BALBOA BLVD	32	047-251-05	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1129 W BALBOA BLVD	33	047-251-06	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1125 W BALBOA BLVD	34	939-71-013	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1125 W BALBOA BLVD	35	939-71-014	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
1115 W BALBOA BLVD	36	047-251-08	6,300	1.00	6,300	\$29,439.63	\$3,008.85	\$2,441.06	\$34,889.54
1113 W BALBOA BLVD	37	047-251-09	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1111 W BALBOA BLVD	38	047-251-10	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1105 W BALBOA BLVD	39	047-251-11	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1101 W BALBOA BLVD	40	047-251-12	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1140 W OCEAN FRONT	41	047-251-23	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1136 W OCEAN FRONT	42	047-251-22	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1130 W OCEAN FRONT	43	047-251-21	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1128 W OCEAN FRONT	44	047-251-20	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1124 W OCEAN FRONT	45	047-251-19	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1120 W OCEAN FRONT	46	047-251-18	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1116 W OCEAN FRONT	47	047-251-17	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1112 W OCEAN FRONT	48	047-251-16	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1106 W OCEAN FRONT	49	047-251-15	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1104 W OCEAN FRONT	50	047-251-14	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1102 W OCEAN FRONT	51	047-251-13	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
1051 W BALBOA BLVD	52	047-252-01	1,600	0.33	533	\$2,490.69	\$254.56	\$206.52	\$2,951.77
108 11TH ST	53	047-252-02	1,500	1.00	1,500	\$7,009.44	\$716.39	\$581.21	\$8,307.04
1045 W BALBOA BLVD	54	047-252-03	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1041 W BALBOA BLVD	55	047-252-04	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1037 W BALBOA BLVD	56	047-252-05	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1035 W BALBOA BLVD	57	047-252-06	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1000 W BALBOA BLVD	58	047-252-07	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68

Appendix A - Assessment Calculations

Property Address	Asmt No.	Assessor's Parcel Number	Parcel Size (sf) Rounded	Benefit Factor	Assessed Parcel Area	Total Construction Costs	Incidental Expenses	Financial Costs	Preliminary Total Assessment
1025 W BALBOA BLVD	59	047-252-08	6,300	1.00	6,300	\$29,439.63	\$3,008.85	\$2,441.06	\$34,889.54
1017 W BALBOA BLVD	60	047-252-09	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1015 W BALBOA BLVD	61	047-252-10	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1009 W BALBOA BLVD	62	047-252-11	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1005 W BALBOA BLVD	63	047-252-12	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
1001 W BALBOA BLVD	64	047-252-13	1,900	0.33	633	\$2,957.98	\$302.32	\$245.27	\$3,505.57
107 10TH ST	65	047-252-14	1,300	1.00	1,300	\$6,074.84	\$620.87	\$503.71	\$7,199.42
1036 W OCEAN FRONT	66	047-252-24	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1032 W OCEAN FRONT	67	047-252-23	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1028 W OCEAN FRONT	68	047-252-22	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1024 W OCEAN FRONT	69	047-252-21	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1020 W OCEAN FRONT	70	047-252-20	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1018 W OCEAN FRONT	71	047-252-19	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1012 W OCEAN FRONT	72	047-252-18	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1006 W OCEAN FRONT	73	047-252-17	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1004 W OCEAN FRONT	74	047-252-16	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
1000 W OCEAN FRONT	75	047-252-15	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
951 W BALBOA BLVD	76	047-281-01	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
945 W BALBOA BLVD	77	047-281-02	4,800	1.00	4,800	\$22,430.19	\$2,292.46	\$1,859.86	\$26,582.51
943 W BALBOA BLVD	78	047-281-03	4,800	1.00	4,800	\$22,430.19	\$2,292.46	\$1,859.86	\$26,582.51
935 W BALBOA BLVD	79	047-281-04	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
933 W BALBOA BLVD	80	047-281-05	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
929 W BALBOA BLVD	81	047-281-06	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
925 W BALBOA BLVD	82	047-281-24	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
921 W BALBOA BLVD	83	047-281-25	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
917 W BALBOA BLVD	84	047-281-08	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
913 W BALBOA BLVD	85	047-281-09	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
909 W BALBOA BLVD	86	047-281-10	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
905 W BALBOA BLVD	87	047-281-11	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
901 W BALBOA BLVD	88	047-281-12	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
942 W OCEAN FRONT	89	047-281-23	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
938 W OCEAN FRONT	90	047-281-22	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
930 W OCEAN FRONT	91	047-281-21	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
928 W OCEAN FRONT	92	047-281-20	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
924 W OCEAN FRONT	93	047-281-19	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
920 W OCEAN FRONT	94	047-281-18	4,100	1.00	4,100	\$19,159.12	\$1,958.14	\$1,588.63	\$22,705.89
916 W OCEAN FRONT	95	047-281-17	3,900	1.00	3,900	\$18,224.53	\$1,862.62	\$1,511.13	\$21,598.28
914 W OCEAN FRONT	96	047-281-16	3,800	1.00	3,800	\$17,757.24	\$1,814.86	\$1,472.39	\$21,044.49
908 W OCEAN FRONT	97	047-281-15	3,700	1.00	3,700	\$17,289.94	\$1,767.10	\$1,433.64	\$20,490.68
904 W OCEAN FRONT	98	047-281-14	3,500	1.00	3,500	\$16,355.35	\$1,671.58	\$1,356.15	\$19,383.08
900 W OCEAN FRONT	99	047-281-13	3,300	1.00	3,300	\$15,420.76	\$1,576.07	\$1,278.65	\$18,275.48
110 9TH ST	100	047-282-01	2,800	0.33	933	\$4,359.87	\$445.60	\$361.51	\$5,166.98
106 9TH ST	101	047-282-02	2,700	1.00	2,700	\$12,616.98	\$1,289.51	\$1,046.17	\$14,952.66
823 W BALBOA BLVD	102	047-282-03	3,400	1.00	3,400	\$15,888.05	\$1,623.82	\$1,317.40	\$18,829.27
821 W BALBOA BLVD	103	936-08-007	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
821 W BALBOA BLVD	104	936-08-008	1,600	1.00	1,600	\$7,476.73	\$764.15	\$619.95	\$8,860.83
819 W BALBOA BLVD	105	047-282-05	3,100	1.00	3,100	\$14,486.17	\$1,480.55	\$1,201.16	\$17,167.88
817 W BALBOA BLVD	106	047-282-06	3,000	1.00	3,000	\$14,018.87	\$1,432.79	\$1,162.41	\$16,614.07
815 W BALBOA BLVD	107	047-282-07	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
813 W BALBOA BLVD	108	047-282-08	2,700	1.00	2,700	\$12,616.98	\$1,289.51	\$1,046.17	\$14,952.66
811 W BALBOA BLVD	109	047-282-09	2,600	1.00	2,600	\$12,149.69	\$1,241.75	\$1,007.42	\$14,398.86
809 W BALBOA BLVD	110	047-282-10	2,600	1.00	2,600	\$12,149.69	\$1,241.75	\$1,007.42	\$14,398.86
807 W BALBOA BLVD	111	047-282-11	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
828 W OCEAN FRONT	112	047-282-25	1,900	1.00	1,900	\$8,878.62	\$907.43	\$736.19	\$10,522.24
826 W OCEAN FRONT	113	047-282-24	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
822 W OCEAN FRONT	114	047-282-23	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
820 W OCEAN FRONT	115	047-282-26	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
818 W OCEAN FRONT	116	047-282-27	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85

Appendix A - Assessment Calculations

Property Address	Assmt No.	Assessor's Parcel Number	Parcel Size (sf) Rounded	Benefit Factor	Assessed Parcel Area	Total Construction Costs	Incidental Expenses	Financial Costs	Preliminary Total Assessment
816 W OCEAN FRONT	117	047-282-21	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
814 W OCEAN FRONT	118	047-282-20	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
812 W OCEAN FRONT	119	047-282-19	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
810 W OCEAN FRONT	120	047-282-18	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
808 W OCEAN FRONT	121	047-282-17	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
111 8TH ST	122	047-282-12	3,200	0.33	1,067	\$4,986.05	\$509.59	\$413.43	\$5,909.07
107 8TH ST	123	047-282-13	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
105 8TH ST	124	047-282-14	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
804 W OCEAN FRONT	125	047-282-16	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
800 W OCEAN FRONT	126	047-282-15	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
723 W BALBOA BLVD	127	048-023-01	3,400	0.33	1,133	\$5,294.46	\$541.12	\$439.00	\$6,274.58
106 8TH ST	128	048-023-02	2,800	1.00	2,800	\$13,084.28	\$1,337.27	\$1,084.92	\$15,506.47
726 W OCEAN FRONT	129	048-023-03	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
722 W OCEAN FRONT	130	048-023-04	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
721 W BALBOA BLVD	131	048-023-23	2,200	1.00	2,200	\$10,280.51	\$1,050.71	\$852.43	\$12,183.65
719 W BALBOA BLVD	132	048-023-22	2,200	1.00	2,200	\$10,280.51	\$1,050.71	\$852.43	\$12,183.65
717 W BALBOA BLVD	133	048-023-21	2,200	1.00	2,200	\$10,280.51	\$1,050.71	\$852.43	\$12,183.65
715 W BALBOA BLVD	134	048-023-20	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
713 W BALBOA BLVD	135	048-023-19	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
711 W BALBOA BLVD	136	048-023-18	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
709 W BALBOA BLVD	137	048-023-17	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
707 W BALBOA BLVD	138	048-023-16	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
720 W OCEAN FRONT	139	048-023-05	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
718 W OCEAN FRONT	140	048-023-06	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
716 W OCEAN FRONT	141	048-023-07	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
714 W OCEAN FRONT	142	048-023-08	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
710 W OCEAN FRONT	143	048-023-09	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
706 W OCEAN FRONT	144	048-023-10	4,200	1.00	4,200	\$19,626.42	\$2,005.90	\$1,627.38	\$23,259.70
109 7TH ST	145	048-023-15	2,100	0.33	700	\$3,271.07	\$334.32	\$271.23	\$3,876.62
107 7TH ST	146	048-023-14	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
105 7TH ST	147	048-023-13	1,800	1.00	1,800	\$8,411.32	\$859.67	\$697.45	\$9,968.44
704 W OCEAN FRONT	148	048-023-11	1,800	1.00	1,800	\$8,411.32	\$859.67	\$697.45	\$9,968.44
700 W OCEAN FRONT	149	048-023-12	2,700	1.00	2,700	\$12,616.98	\$1,289.51	\$1,046.17	\$14,952.66
106 7TH ST	150	048-024-01	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
623 W BALBOA BLVD	151	048-024-02	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
628 W OCEAN FRONT	152	048-024-21	6,200	1.00	6,200	\$28,972.33	\$2,961.09	\$2,402.32	\$34,335.74
621 BALBOA BLVD	153	048-024-20	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
619 W BALBOA BLVD	154	048-024-19	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
617 W BALBOA BLVD	155	048-024-25	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
615 W BALBOA BLVD	156	048-024-24	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
613 W BALBOA BLVD	157	048-024-17	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
611 W BALBOA BLVD	158	048-024-16	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
609 BALBOA BLVD	159	048-024-27	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
607 BALBOA BLVD	160	048-024-26	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
620 W OCEAN FRONT	161	048-024-04	4,200	1.00	4,200	\$19,626.42	\$2,005.90	\$1,627.38	\$23,259.70
618 W OCEAN FRONT	162	048-024-05	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
616 W OCEAN FRONT	163	048-024-06	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
614 W OCEAN FRONT	164	048-024-07	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
612 W OCEAN FRONT	165	048-024-08	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
608 W OCEAN FRONT	166	048-024-23	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
606 W OCEAN FRONT	167	048-024-22	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
109 6TH ST	168	048-024-14	2,100	0.33	700	\$3,271.07	\$334.32	\$271.23	\$3,876.62
107 6TH ST	169	048-024-13	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
105 6TH ST	170	048-024-12	1,800	1.00	1,800	\$8,411.32	\$859.67	\$697.45	\$9,968.44
604 W OCEAN FRONT	171	048-024-10	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
600 W OCEAN FRONT	172	048-024-11	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
523 W BALBOA BLVD	173	048-073-01	2,100	0.33	700	\$3,271.07	\$334.32	\$271.23	\$3,876.62
106 6TH ST	174	048-073-02	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85

Appendix A - Assessment Calculations

Property Address	Assmt No.	Assessor's Parcel Number	Parcel Size (sf) Rounded	Benefit Factor	Assessed Parcel Area	Total Construction Costs	Incidental Expenses	Financial Costs	Preliminary Total Assessment
524 W OCEAN FRONT	175	048-073-29	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
522 W OCEAN FRONT	176	048-073-30	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
521 W BALBOA BLVD	177	048-073-26	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
519 W BALBOA BLVD	178	048-073-25	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
517 W BALBOA BLVD	179	048-073-24	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
515 W BALBOA BLVD	180	048-073-23	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
513 W BALBOA BLVD	181	048-073-18	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
511 W BALBOA BLVD	182	048-073-17	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
509 W BALBOA BLVD	183	048-073-16	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
507 W BALBOA BLVD	184	048-073-15	2,500	1.00	2,500	\$11,682.39	\$1,193.99	\$968.68	\$13,845.06
109 ISLAND AVE	185	048-073-14	2,600	1.00	2,600	\$12,149.69	\$1,241.75	\$1,007.42	\$14,398.86
107 ISLAND AVE	186	048-073-13	2,600	1.00	2,600	\$12,149.69	\$1,241.75	\$1,007.42	\$14,398.86
520 W OCEAN FRONT	187	048-073-05	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
518 W OCEAN FRONT	188	048-073-28	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
516 W OCEAN FRONT	189	048-073-27	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
514 W OCEAN FRONT	190	048-073-07	3,200	1.00	3,200	\$14,953.46	\$1,528.31	\$1,239.91	\$17,721.68
510 W OCEAN FRONT	191	048-073-08	2,800	1.00	2,800	\$13,084.28	\$1,337.27	\$1,084.92	\$15,506.47
508 W OCEAN FRONT	192	048-073-09	2,500	1.00	2,500	\$11,682.39	\$1,193.99	\$968.68	\$13,845.06
506 W OCEAN FRONT	193	048-073-10	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
504 W OCEAN FRONT	194	048-073-11	2,500	1.00	2,500	\$11,682.39	\$1,193.99	\$968.68	\$13,845.06
500 W OCEAN FRONT	195	048-073-12	2,500	1.00	2,500	\$11,682.39	\$1,193.99	\$968.68	\$13,845.06
101 E BALBOA BLVD	196	048-074-01	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
105 E BALBOA BLVD	197	048-074-02	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
104 ISLAND AVE	198	048-074-03	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
102 E OCEAN FRONT	199	048-074-04	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
104 E OCEAN FRONT	200	048-074-05	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
107 E BALBOA BLVD	201	048-074-23	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
109 E BALBOA BLVD	202	048-074-22	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
111 E BALBOA BLVD	203	048-074-21	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
113 E BALBOA BLVD	204	048-074-20	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
115 E BALBOA BLVD	205	048-074-19	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
117 E BALBOA BLVD	206	048-074-18	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
119 E BALBOA BLVD	207	048-074-17	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
121 E BALBOA BLVD	208	048-074-16	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
123 E BALBOA BLVD	209	048-074-15	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
127 E BALBOA BLVD	210	048-074-14	3,100	1.00	3,100	\$14,486.17	\$1,480.55	\$1,201.16	\$17,167.88
106 E OCEAN FRONT	211	048-074-06	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
108 E OCEAN FRONT	212	048-074-24	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
110 E OCEAN FRONT	213	048-074-26	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
112 E OCEAN FRONT	214	048-074-27	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
114 E OCEAN FRONT	215	048-074-09	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
116 E OCEAN FRONT	216	048-074-10	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
118 E OCEAN FRONT	217	048-074-11	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
120 E OCEAN FRONT	218	048-074-28	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
122 E OCEAN FRONT	219	048-074-29	2,100	1.00	2,100	\$9,813.21	\$1,002.95	\$813.69	\$11,629.85
126 E OCEAN FRONT	220	048-074-13	2,600	1.00	2,600	\$12,149.69	\$1,241.75	\$1,007.42	\$14,398.86
201 E BALBOA BLVD	221	048-081-21	4,300	1.00	4,300	\$20,093.72	\$2,053.66	\$1,666.12	\$23,813.50
205 E BALBOA BLVD	222	048-081-22	2,300	1.00	2,300	\$10,747.80	\$1,098.47	\$891.18	\$12,737.45
207 E BALBOA BLVD	223	048-081-26	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
209 E BALBOA BLVD	224	048-081-27	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
211 E BALBOA BLVD	225	048-081-04	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
213 E BALBOA BLVD	226	048-081-16	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
215 E BALBOA BLVD	227	048-081-19	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
217 E BALBOA BLVD	228	048-081-18	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
219 E BALBOA BLVD	229	048-081-06	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
200 E OCEAN FRONT	230	048-081-15	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
202 E OCEAN FRONT	231	048-081-14	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
204 E OCEAN FRONT	232	932-94-106	1,200	1.00	1,200	\$5,607.55	\$573.11	\$464.96	\$6,645.62

Appendix A - Assessment Calculations

Property Address	Assmt No.	Assessor's Parcel Number	Parcel Size (sf) Rounded	Benefit Factor	Assessed Parcel Area	Total Construction Costs	Incidental Expenses	Financial Costs	Preliminary Total Assessment
204 E OCEAN FRONT	233	932-94-107	1,200	1.00	1,200	\$5,607.55	\$573.11	\$464.96	\$6,645.62
206 E OCEAN FRONT	234	048-081-12	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
208 E OCEAN FRONT	235	048-081-11	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
210 E OCEAN FRONT	236	048-081-10	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
212 E OCEAN FRONT	237	048-081-09	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
214 E OCEAN FRONT	238	048-081-24	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
216 E OCEAN FRONT	239	048-081-23	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
218 E OCEAN FRONT	240	048-081-07	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
301 E BALBOA BLVD	241	048-082-01	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
311 E BALBOA BLVD	242	048-082-02	12,000	0.44	5,320	\$24,860.13	\$2,540.81	\$2,061.34	\$29,462.28
313 E BALBOA BLVD	243	048-082-13	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
315 E BALBOA BLVD	244	048-082-14	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
317 E BALBOA BLVD	245	048-082-15	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
300 E OCEAN FRONT	246	048-082-11	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
302 E OCEAN FRONT	247	048-082-10	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
304 E OCEAN FRONT	248	048-082-09	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
306 E OCEAN FRONT	249	048-082-08	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
308 E OCEAN FRONT	250	048-082-07	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
310 E OCEAN FRONT	251	048-082-06	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
312 E OCEAN FRONT	252	048-082-17	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
314 E OCEAN FRONT	253	048-082-16	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
316 E OCEAN FRONT	254	048-082-04	2,400	1.00	2,400	\$11,215.10	\$1,146.23	\$929.93	\$13,291.26
403 E BALBOA BLVD	255	048-121-01	6,300	1.00	6,300	\$29,439.63	\$3,008.85	\$2,441.06	\$34,889.54
407 E BALBOA BLVD	256	048-121-02	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
409 E BALBOA BLVD	257	048-121-03	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
411 E BALBOA BLVD	258	048-121-04	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
413 E BALBOA BLVD	259	048-121-05	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
415 E BALBOA BLVD	260	048-121-06	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
417 E BALBOA BLVD	261	048-121-07	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
421 E BALBOA BLVD	262	048-121-20	2,900	0.34	986	\$4,607.54	\$470.91	\$382.05	\$5,460.50
423 E BALBOA BLVD	263	048-121-21	2,900	0.20	580	\$2,710.32	\$277.01	\$224.73	\$3,212.06
400 E OCEAN FRONT	264	048-121-19	3,100	1.00	3,100	\$14,486.17	\$1,480.55	\$1,201.16	\$17,167.88
402 E OCEAN FRONT	265	048-121-18	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
404 E OCEAN FRONT	266	048-121-17	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
406 E OCEAN FRONT	267	048-121-15	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
408 E OCEAN FRONT 1	268	932-16-029	1,400	1.00	1,400	\$6,542.14	\$668.63	\$542.46	\$7,753.23
408 E OCEAN FRONT 2	269	932-16-030	1,400	1.00	1,400	\$6,542.14	\$668.63	\$542.46	\$7,753.23
410 E OCEAN FRONT	270	048-121-13	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
412 E OCEAN FRONT	271	048-121-12	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
414 E OCEAN FRONT	272	048-121-11	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
416 E OCEAN FRONT	273	048-121-10	2,900	1.00	2,900	\$13,551.58	\$1,385.03	\$1,123.66	\$16,060.27
418 E OCEAN FRONT	274	048-121-09	2,900	0.20	580	\$2,710.32	\$277.01	\$224.73	\$3,212.06
					784,576	\$3,666,290.00	\$374,710.00	\$304,000.00	\$4,345,000.00

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APPENDIX H

LIST OF UNPAID ASSESSMENTS

Assessment No.	APN	Assessed Value (AV) Tax Roll as of July 2010			Existing Liens	Confirmed Assessment	Value-to-Lien Ratio for Confirmed Assessment
		Land Value	Structure Value	Total Value			
2	939-71-011	\$511,584	\$362,416	\$874,000		\$8,860.83	98.64 : 1
3	939-71-012	\$203,906	\$290,971	\$494,877		\$8,860.83	55.85 : 1
4	047-241-02	\$68,355	\$7,000	\$75,355		\$17,721.68	4.25 : 1
5	047-241-03	\$1,995,458	\$517,042	\$2,512,500		\$17,721.68	141.78 : 1
6	047-241-04	\$221,237	\$217,372	\$438,609		\$17,721.68	24.75 : 1
7	047-241-05	\$560,361	\$69,814	\$630,175		\$17,721.68	35.56 : 1
8	939-71-021	\$740,527	\$260,272	\$1,000,799		\$8,860.83	112.95 : 1
9	939-71-022	\$428,365	\$223,978	\$652,343		\$8,860.83	73.62 : 1
11	047-241-08	\$68,351	\$28,970	\$97,321		\$17,721.68	5.49 : 1
12	047-241-09	\$267,794	\$22,403	\$290,197		\$17,721.68	16.38 : 1
13	047-241-10	\$68,355	\$38,509	\$106,864		\$17,721.68	6.03 : 1
14	047-241-11	\$68,355	\$38,442	\$106,797		\$17,721.68	6.03 : 1
15	047-241-12	\$473,379	\$38,731	\$512,110		\$17,721.68	28.90 : 1
16	939-71-017	\$418,727	\$187,837	\$606,564		\$8,860.83	68.45 : 1
18	047-241-24	\$102,614	\$55,568	\$158,182		\$20,490.68	7.72 : 1
20	047-241-21	\$102,614	\$49,116	\$151,730		\$20,490.68	7.40 : 1
21	047-241-20	\$1,078,808	\$433,960	\$1,512,768		\$20,490.68	73.83 : 1
22	047-241-19	\$1,211,297	\$564,605	\$1,775,902		\$20,490.68	86.67 : 1
24	047-241-17	\$2,351,552	\$262,338	\$2,613,890		\$20,490.68	127.56 : 1
26	047-241-15	\$100,602	\$39,707	\$140,309		\$20,490.68	6.85 : 1
27	047-241-14	\$205,096	\$77,879	\$282,975		\$41,535.18	6.81 : 1
28	047-251-01	\$489,077	\$503,343	\$992,420		\$17,721.68	56.00 : 1
29	047-251-02	\$782,411	\$107,697	\$890,108		\$17,721.68	50.23 : 1
30	047-251-03	\$68,360	\$14,643	\$83,003		\$17,721.68	4.68 : 1
32	047-251-05	\$552,185	\$184,692	\$736,877		\$17,721.68	41.58 : 1
33	047-251-06	\$541,634	\$104,887	\$646,521		\$17,721.68	36.48 : 1
36	047-251-08	\$2,733,240	\$182,398	\$2,915,638		\$34,889.54	83.57 : 1
37	047-251-09	\$357,401	\$52,647	\$410,048		\$17,721.68	23.14 : 1
38	047-251-10	\$805,824	\$48,476	\$854,300		\$17,721.68	48.21 : 1
39	047-251-11	\$312,947	\$67,144	\$380,091		\$17,721.68	21.45 : 1
40	047-251-12	\$68,354	\$31,423	\$99,777		\$17,721.68	5.63 : 1
41	047-251-23	\$250,534	\$60,286	\$310,820		\$20,490.68	15.17 : 1
43	047-251-21	\$928,283	\$95,432	\$1,023,715		\$20,490.68	49.96 : 1
45	047-251-19	\$1,121,836	\$522,994	\$1,644,830		\$20,490.68	80.27 : 1
46	047-251-18	\$2,620,720	\$146,563	\$2,767,283		\$20,490.68	135.05 : 1
47	047-251-17	\$4,775,997	\$515,346	\$5,291,343		\$20,490.68	258.23 : 1

**Assessed Value (AV)
Tax Roll as of July 2010**

Assessment No.	APN	Land Value	Structure Value	Total Value	Existing Liens	Confirmed Assessment	Value-to-Lien Ratio for Confirmed Assessment
48	047-251-16	\$102,610	\$138,825	\$241,435		\$20,490.68	11.78 : 1
49	047-251-15	\$2,277,156	\$104,251	\$2,381,407		\$20,490.68	116.22 : 1
54	047-252-03	\$68,353	\$24,548	\$92,901		\$17,721.68	5.24 : 1
55	047-252-04	\$456,337	\$29,466	\$485,803		\$17,721.68	27.41 : 1
56	047-252-05	\$778,865	\$171,135	\$950,000		\$17,721.68	53.61 : 1
57	047-252-06	\$351,763	\$157,137	\$508,900		\$17,721.68	28.72 : 1
58	047-252-07	\$286,275	\$0	\$286,275		\$17,721.68	16.15 : 1
59	047-252-08	\$572,566	\$51,067	\$623,633		\$34,889.54	17.87 : 1
60	047-252-09	\$925,490	\$54,811	\$980,301		\$17,721.68	55.32 : 1
61	047-252-10	\$889,549	\$100,451	\$990,000		\$17,721.68	55.86 : 1
62	047-252-11	\$365,976	\$193,653	\$559,629		\$17,721.68	31.58 : 1
63	047-252-12	\$68,352	\$22,095	\$90,447		\$17,721.68	5.10 : 1
64	047-252-13	\$407,387	\$33,143	\$440,530		\$3,505.57	125.67 : 1
65	047-252-14	\$1,578,784	\$266,831	\$1,845,615		\$7,199.42	256.36 : 1
66	047-252-24	\$1,423,468	\$570,539	\$1,994,007		\$22,705.89	87.82 : 1
67	047-252-23	\$629,479	\$269,396	\$898,875		\$22,705.89	39.59 : 1
68	047-252-22	\$837,415	\$196,991	\$1,034,406		\$22,705.89	45.56 : 1
70	047-252-20	\$916,610	\$407,206	\$1,323,816		\$22,705.89	58.30 : 1
71	047-252-19	\$5,126,400	\$1,173,600	\$6,300,000		\$22,705.89	277.46 : 1
72	047-252-18	\$1,485,237	\$90,984	\$1,576,221		\$17,355.89	90.82 : 1
73	047-252-17	\$106,402	\$123,092	\$229,494		\$22,705.89	10.11 : 1
74	047-252-16	\$1,461,467	\$599,272	\$2,060,739		\$22,705.89	90.76 : 1
76	047-281-01	\$68,356	\$56,801	\$125,157		\$17,721.68	7.06 : 1
77	047-281-02	\$85,485	\$452,777	\$538,262		\$26,582.51	20.25 : 1
78	047-281-03	\$267,522	\$31,461	\$298,983		\$26,582.51	11.25 : 1
81	047-281-06	\$118,682	\$134,121	\$252,803		\$17,721.68	14.27 : 1
83	047-281-25	\$387,743	\$109,988	\$497,731		\$17,721.68	28.09 : 1
84	047-281-08	\$116,364	\$70,100	\$186,464		\$17,721.68	10.52 : 1
85	047-281-09	\$68,352	\$78,457	\$146,809		\$17,721.68	8.28 : 1
86	047-281-10	\$593,335	\$85,363	\$678,698		\$17,721.68	38.30 : 1
87	047-281-11	\$231,952	\$180,922	\$412,874		\$17,721.68	23.30 : 1
88	047-281-12	\$771,910	\$109,136	\$881,046		\$17,721.68	49.72 : 1
89	047-281-23	\$1,298,874	\$641,888	\$1,940,762		\$22,705.89	85.47 : 1
90	047-281-22	\$5,215,000	\$285,000	\$5,500,000		\$22,705.89	242.23 : 1
91	047-281-21	\$5,253,208	\$871,741	\$6,124,949		\$22,705.89	269.75 : 1
93	047-281-19	\$772,621	\$211,126	\$983,747		\$22,705.89	43.33 : 1
94	047-281-18	\$2,144,434	\$36,994	\$2,181,428		\$22,705.89	96.07 : 1
95	047-281-17	\$257,317	\$46,932	\$304,249		\$21,598.28	14.09 : 1

**Assessed Value (AV)
Tax Roll as of July 2010**

Assessment No.	APN	Land Value	Structure Value	Total Value	Existing Liens	Confirmed Assessment	Value-to-Lien Ratio for Confirmed Assessment
96	047-281-16	\$4,440,478	\$271,827	\$4,712,305		\$21,044.49	223.92 : 1
97	047-281-15	\$257,871	\$96,890	\$354,761		\$20,490.68	17.31 : 1
98	047-281-14	\$487,907	\$38,585	\$526,492		\$19,383.08	27.16 : 1
99	047-281-13	\$582,028	\$355,915	\$937,943		\$18,275.48	51.32 : 1
100	047-282-01	\$455,347	\$519,535	\$974,882		\$5,166.98	188.68 : 1
102	047-282-03	\$68,709	\$53,117	\$121,826		\$18,829.27	6.47 : 1
103	936-08-007	\$275,393	\$67,610	\$343,003		\$8,860.83	38.71 : 1
104	936-08-008	\$275,394	\$95,377	\$370,771		\$8,860.83	41.84 : 1
105	047-282-05	\$68,354	\$14,723	\$83,077		\$17,167.88	4.84 : 1
106	047-282-06	\$411,065	\$25,072	\$436,137		\$16,614.07	26.25 : 1
107	047-282-07	\$68,357	\$15,494	\$83,851		\$16,060.27	5.22 : 1
109	047-282-09	\$68,009	\$9,595	\$77,604		\$14,398.86	5.39 : 1
116	047-282-27	\$823,542	\$76,919	\$900,461		\$11,629.85	77.43 : 1
117	047-282-21	\$681,655	\$44,952	\$726,607		\$11,629.85	62.48 : 1
118	047-282-20	\$3,369,516	\$55,666	\$3,425,182		\$11,629.85	294.52 : 1
121	047-282-17	\$89,273	\$31,298	\$120,571		\$11,629.85	10.37 : 1
122	047-282-12	\$1,643,072	\$21,568	\$1,664,640		\$5,909.07	281.71 : 1
123	047-282-13	\$54,176	\$224,920	\$279,096		\$11,629.85	24.00 : 1
124	047-282-14	\$54,180	\$71,645	\$125,825		\$11,629.85	10.82 : 1
126	047-282-15	\$3,344,929	\$30,071	\$3,375,000		\$11,629.85	290.20 : 1
127	048-023-01	\$470,450	\$124,827	\$595,277		\$6,274.58	94.87 : 1
131	048-023-23	\$289,812	\$153,740	\$443,552		\$12,183.65	36.41 : 1
132	048-023-22	\$58,812	\$13,455	\$72,267		\$12,183.65	5.93 : 1
133	048-023-21	\$645,027	\$167,541	\$812,568		\$12,183.65	66.69 : 1
134	048-023-20	\$58,809	\$8,760	\$67,569		\$11,629.85	5.81 : 1
136	048-023-18	\$975,016	\$517,984	\$1,493,000		\$11,629.85	128.38 : 1
138	048-023-16	\$0	\$0	\$0 ⁽¹⁾		\$11,629.85	0.00 : 1 ⁽¹⁾
141	048-023-07	\$562,304	\$251,348	\$813,652		\$11,629.85	69.96 : 1
143	048-023-09	\$2,721,231	\$38,970	\$2,760,201 ⁽¹⁾		\$17,721.68	155.75 : 1 ⁽¹⁾
144	048-023-10	\$178,559	\$380,682	\$559,241		\$23,259.70	24.04 : 1
146	048-023-14	\$58,808	\$22,163	\$80,971		\$11,629.85	6.96 : 1
147	048-023-13	\$57,971	\$121,048	\$179,019		\$9,968.44	17.96 : 1
148	048-023-11	\$3,195,780	\$54,220	\$3,250,000 ⁽¹⁾		\$9,968.44	326.03 : 1 ⁽¹⁾
149	048-023-12	\$745,744	\$19,850	\$765,594 ⁽¹⁾		\$14,952.66	51.20 : 1 ⁽¹⁾
156	048-024-24	\$326,256	\$26,454	\$352,710		\$11,629.85	30.33 : 1

⁽¹⁾ Based on the information provided by the Assessor's office, the parcel which is Assessment No. 138 is owned by the owner of three other parcels in the District (Assessment Nos. 143, 148 and 149) and the value for the parcel which is Assessment No. 138 has been distributed to those three parcels. The three parcels are coded as single-family residential and Assessment No. 138 is coded as multi-family residential, although it appears to only have a garage on the property.

**Assessed Value (AV)
Tax Roll as of July 2010**

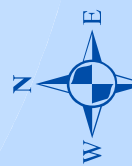
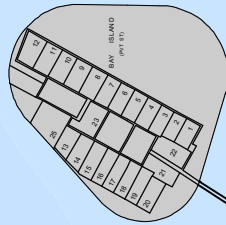
Assessment No.	APN	Land Value	Structure Value	Total Value	Existing Liens	Confirmed Assessment	Value-to-Lien Ratio for Confirmed Assessment
157	048-024-17	\$290,233	\$19,196	\$309,429		\$11,629.85	26.61 : 1
158	048-024-16	\$378,108	\$13,538	\$391,646		\$11,629.85	33.68 : 1
160	048-024-26	\$1,521,818	\$156,194	\$1,678,012		\$11,629.85	144.28 : 1
165	048-024-08	\$2,626,578	\$546,059	\$3,172,637		\$11,629.85	272.80 : 1
167	048-024-22	\$1,514,950	\$208,577	\$1,723,527		\$11,629.85	148.20 : 1
168	048-024-14	\$341,293	\$267,237	\$608,530		\$3,876.62	156.97 : 1
169	048-024-13	\$58,810	\$117,675	\$176,485		\$11,629.85	15.18 : 1
172	048-024-11	\$92,145	\$291,307	\$383,452		\$13,291.26	28.85 : 1
174	048-073-02	\$268,320	\$13,454	\$281,774		\$11,629.85	24.23 : 1
181	048-073-18	\$383,409	\$221,275	\$604,684		\$11,629.85	51.99 : 1
183	048-073-16	\$711,303	\$203,155	\$914,458		\$11,629.85	78.63 : 1
186	048-073-13	\$305,026	\$101,557	\$406,583		\$14,398.86	28.24 : 1
188	048-073-28	\$3,052,875	\$447,125	\$3,500,000		\$11,629.85	300.95 : 1
189	048-073-27	\$1,471,479	\$350,295	\$1,821,774		\$11,629.85	156.65 : 1
195	048-073-12	\$757,429	\$941,386	\$1,698,815		\$13,845.06	122.70 : 1
196	048-074-01	\$55,021	\$11,489	\$66,510		\$11,629.85	5.72 : 1
197	048-074-02	\$1,302,909	\$210,591	\$1,513,500		\$11,629.85	130.14 : 1
198	048-074-03	\$55,018	\$7,838	\$62,856		\$11,629.85	5.40 : 1
200	048-074-05	\$89,274	\$28,199	\$117,473		\$11,629.85	10.10 : 1
201	048-074-23	\$55,021	\$25,134	\$80,155		\$5,851.85	13.70 : 1
202	048-074-22	\$55,019	\$51,145	\$106,164		\$11,629.85	9.13 : 1
203	048-074-21	\$670,477	\$93,357	\$763,834		\$11,629.85	65.68 : 1
204	048-074-20	\$78,181	\$123,172	\$201,353		\$11,629.85	17.31 : 1
208	048-074-16	\$55,019	\$11,765	\$66,784		\$11,629.85	5.74 : 1
209	048-074-15	\$721,091	\$206,955	\$928,046		\$11,629.85	79.80 : 1
210	048-074-14	\$69,342	\$13,737	\$83,079		\$17,167.88	4.84 : 1
211	048-074-06	\$400,931	\$21,526	\$422,457		\$11,629.85	36.33 : 1
214	048-074-27	\$2,979,109	\$320,891	\$3,300,000		\$11,629.85	283.75 : 1
215	048-074-09	\$89,276	\$70,437	\$159,713		\$11,629.85	13.73 : 1
216	048-074-10	\$1,010,934	\$179,736	\$1,190,670		\$11,629.85	102.38 : 1
221	048-081-21	\$576,745	\$50,806	\$627,551		\$23,813.50	26.35 : 1
224	048-081-27	\$1,222,096	\$523,755	\$1,745,851		\$13,291.26	131.35 : 1
226	048-081-16	\$56,073	\$31,075	\$87,148		\$13,291.26	6.56 : 1
227	048-081-19	\$56,075	\$28,477	\$84,552		\$13,291.26	6.36 : 1
228	048-081-18	\$56,073	\$30,581	\$86,654		\$13,291.26	6.52 : 1
229	048-081-06	\$56,072	\$83,434	\$139,506		\$13,291.26	10.50 : 1
232	932-94-106	\$1,145,801	\$127,648	\$1,273,449		\$6,645.62	191.62 : 1
233	932-94-107	\$1,518,027	\$179,905	\$1,697,932		\$6,645.62	255.50 : 1

**Assessed Value (AV)
Tax Roll as of July 2010**

Assessment No.	APN	Land Value	Structure Value	Total Value	Existing Liens	Confirmed Assessment	Value-to-Lien Ratio for Confirmed Assessment
235	048-081-11	\$96,861	\$19,911	\$116,772		\$13,291.26	8.79 : 1
236	048-081-10	\$96,858	\$590,630	\$687,488		\$13,291.26	51.72 : 1
239	048-081-23	\$1,390,025	\$390,924	\$1,780,949		\$13,291.26	133.99 : 1
241	048-082-01	\$427,599	\$106,889	\$534,488		\$13,291.26	40.21 : 1
246	048-082-11	\$240,646	\$60,227	\$300,873		\$13,291.26	22.64: 1
247	048-082-10	\$96,858	\$12,895	\$109,753		\$13,291.26	8.26: 1
248	048-082-09	\$2,773,664	\$568,836	\$3,342,500		\$13,291.26	251.48: 1
249	048-082-08	\$1,499,739	\$50,261	\$1,550,000		\$13,291.26	116.62: 1
251	048-082-06	\$96,856	\$8,541	\$105,397		\$13,291.26	7.93: 1
255	048-121-01	\$2,061,436	\$212,235	\$2,273,671		\$34,889.54	65.17: 1
256	048-121-02	\$186,082	\$180,424	\$366,506		\$16,060.27	22.82: 1
257	048-121-03	\$194,422	\$364,487	\$558,909		\$16,060.27	34.80: 1
259	048-121-05	\$105,208	\$118,461	\$223,669		\$16,060.27	13.93: 1
261	048-121-07	\$860,106	\$49,894	\$910,000		\$16,060.27	56.66: 1
262	048-121-20	\$315,769	\$172,024	\$487,793	\$6,834 ⁽²⁾	\$5,460.50	39.68: 1
263	048-121-21	\$273,911	\$142,758	\$416,669	\$5,522 ⁽²⁾	\$3,212.06	47.71: 1
264	048-121-19	\$965,910	\$192,841	\$1,158,751		\$17,167.88	67.50: 1
265	048-121-18	\$940,290	\$147,219	\$1,087,509		\$16,060.27	67.71: 1
267	048-121-15	\$692,656	\$441,367	\$1,134,023		\$16,060.27	70.61: 1
268	932-16-029	\$1,486,784	\$173,216	\$1,660,000		\$7,753.23	214.10: 1
269	932-16-030	\$1,377,613	\$172,387	\$1,550,000		\$7,753.23	199.92: 1
270	048-121-13	\$1,758,959	\$120,435	\$1,879,394		\$16,060.27	117.02: 1
271	048-121-12	\$99,735	\$146,335	\$246,070		\$16,060.27	15.32: 1
272	048-121-11	<u>\$2,686,694</u>	<u>\$174,952</u>	<u>\$2,861,646</u>		<u>\$16,060.27</u>	<u>178.18: 1</u>
		\$141,159,111	\$29,575,854	\$170,734,965	\$12,356	\$2,670,006.38	63.65: 1

⁽²⁾ This parcel is also included in City of Newport Beach Assessment District No. 75 for special benefits relating to that utility undergrounding project.

Assessment District 100



1 inch = 500 feet